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Paris, Friday, June 24, 1994

## Russia Hides Its Work on Poison Gas, U.S. Asserts

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By Michael R. Gordon

New York Times Service
WASHINGTON — Russia is concealing efforts to develop advanced chemical weapons, despite its pledge to disclose de-tails of its poison gas program to the Unit-ed States, according to Clinton administra-

That assessment illustrates the problems that Washington has in dealing with the new Russia, as Moscow has pledged to cooperate with the West, but has been dragging its feet on putting some impor-tant arms control accords into effect.

It also has important ramifications for the Senate, which is considering whether to approve a global treaty banning poison gas. Suspicions about Russia's poison gas program and Moscow's difficulties in devising an effective plan to destroy the stocks—at 40,000 tons, the largest arsenal in the world - have become an important issue in the Senate debate.

Administration officials said Washington's concerns arose in recent weeks when Russian and U.S. officials carried nut a long-planned exchange of data on their past efforts to develop, produce and stockpile chemical weapons.

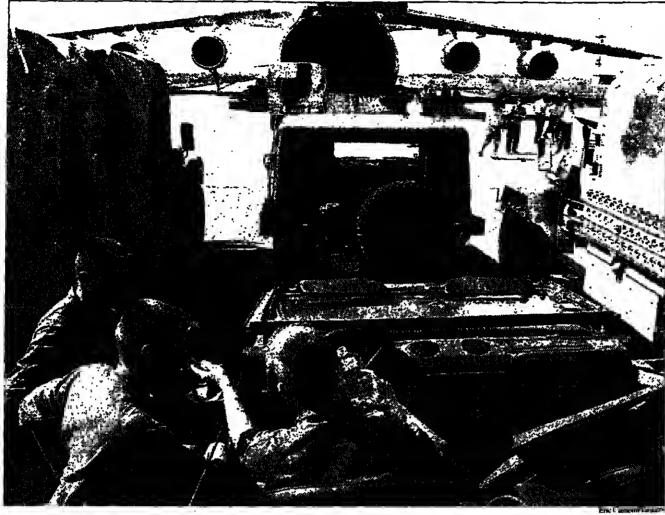
Administration officials looked forward to receiving the information - the most comprehensive accounting of the Russian chemical weapons program — with more than usual interest: U.S. intelligence has long concluded that the Russians bave worked to develop binary chemical weap-ons, but Moscow has never acknowledged the effort. Binary weapons are an advanced minition in which two different types of chemical agents are mixed together to produce a deadly type of poison gas.

"We have long believed the Russians have been pursuing a binary weapons ca-pability." a sculor administration official said, referring to Russian efforts to develon and lest the weapons.

[In Moscow, Reuters quoted a Russian Foreign Ministry spokesman as saying at a news briefing: "We have on numerous occasions clarified for the mass media and our partners that we have no such program with chemical weapons."

The U.S. concerns over Russia's chemierm were also underscored when Vil Mirzayanov, a Russian chemist, was charged by Russian authorities with re-vealing state secrets after he asserted that Moscow had not only developed binary

See POISON, Page 4



French troops with equipment ready to board a transport plane Thursday in the south of France, on the way to Rwanda.

## China Lauds North Korea, Others Unsure

By Lena Sun

BEIJING - China on Thursday hailed is a "turning point" the decision of the United States and North Korea to resume talks on the stalemated question of Pyong-

yang's nuclear program.

Japan and South Korea welcomed the development with muted skepticism, while Russia was openly doubtful that the negotiations would succeed.

"Unfortunately, past experience of bi-lateral contacts with North Korea hardly inspires much hope," said Alexander Panov, a deputy Russian foreign minister. "Their talks with the United States were disrupted three times this year, and each time tensions increased."

A Chinese spokesman said Thursday that the U.S. North Korean agreement, announced by President Bill Clinton on Wednesday night, vindicated China's position that negotiations - not sanctions were the "most fundamental way" for a

"We are happy 10 see these positive developments on the Korean nuclear issue. and appreciate the wise attitude and posi-tive elforts by various parties concerned for the peaceful settlement of this issue," said Wi Jianmin, spokesman for the Foreign Ministry.

"We are very pleased to see that now there has been a turning point on this question." Mr. Wu said. He called for all parties to "value this opportunity" in upcoming discussions.

As outlined by President Clinton, the deal involves a North Korean commitment to freeze its nuclear program while talks with the United States on wider problems

As a counterpart, the Americans have agreed to suspend their push in the United Nations for sanctions against North Korea for thwarting inspection of its nuclear

"peaceful and proper" settlement of the sites, suspected of involvement in an arms

program,
China has been the only one of the five permanent members of the United Nations Security Council consistently to oppose sanctions against Pvongyang, its ally. In Beijing's view, sanctions could trigger the collapse of the beleaguered North Korean leadership, creating turmoil along China's borders.

As a result, Beijing deserves some of the credit for helping to resolve the impasse, the Chinese spokesman declared.

"Ever since this nuclear question cropped up, China has resolutely insisted that this question be resolved through dialogue instead of through exerting pres-sure," he said. "I believe this is an impor-

In his remarks, the Chinese spokesman made no mention of North Korea's promise to freeze its nuclear program. He declined to say whether China believed the

See KOREA, Page 4

## French Troops Cross **Border Into Rwanda**

## Relief Mission Risks Clashes With Rebels

By Keith B. Richburg

Washington Past Service
NAIROBI — Small advance teams of French combat troops crossed into Rwanda on Thursday from neighboring Zaire, spearheading France's latest and perhaps most dangerous African expedition, which could see French soldiers drawn into one of the most savage of the continent's civil

The stated aim of the mission, called Operation Turquoise, is to provide hu-manitarian relief and protect members of Rwanda's minority Tutsi tribe, who have been targeted for genocide by Hutu extremists loyal to Rwanda's slain president, Juvénal Habyarimana.

About 8,000 Tutsis are now sheltered at a displaced-persons camp at Cyangugu town on Rwanda's western border with Zaire, and the French advance teams were said to be making an assessment of their needs and laying the groundwork for the main intervention force in the next two

[Reconnaissance units crossed the border from Goma in Zaire to Rwanda's Gisenyi region at around 1330 GMT, sources told Agence France-Presse in Paris. A second group crossed the border about 100 kilometers (about 6) miles) farther south at Bukayu in Zaire and were heading toward Cyangugu, The second group totaled up to 200 men in armored vehicles, backed by helicopters, military sources said.

[A senior French military official in Paris said the detachment "received a completely favorable welcome from local inhabitants," Reuters reported.]

Cyangugu has been designated as one of the key sites inside the country where Tutsis are still believed to be at risk from Rwandan government troops and their Hutu miliua allies, who are deemed responsible for massacres that have left an estimated half-million people dead, most of them Tutsis.

When the operation reaches its full stage, about 600 French troops, including members of the Foreign Legion, Marines and infantry artillery units, are expected to

cross from Bukavu into Cyangugu, backed See RWANDA, Page 4

## CIA Proposal To Cut Back In Africa Is **Drawing Fire**

By Walter Pincus Washington Post Service

WASHINGTON - A CIA plan to close 15 stations in Africa because of hudget reductions is causing concern and drawing some criticism inside the government, in Congress and from retired members of the intelligence

The proposed cuthack would have little effect on the Central Intelligence Agency's gathering of information in Africa, because the agency built up its presence on the continent during the Cold War primarily to recruit people to spy against Communist states, a senior CIA official said.

In Congress, however, the plan has added to apprehension that the CIA director, R. James Woolsey, favors technical operations, such as satellites, over human intelligence collection.

Over the past month, CIA officials have been briefing other government agencies and the congressional intelligence committees on the decision to withdraw 15 CIA station chiefs and dozens of case officers, who usually act under cover as U.S. Embassy offi-

"We have to rationalize our activities along with everyone else," the senior CIA official said, in defending the proposal.

"We have never been in Africa to report on Africa," the official noted. "We went into Africa as part of the covert activity of the Cold War, to recruit Soviet, Chinese, Eastern European and sometimes North Korean officials under circumstances that were easier to operate under than in their home countries." He was referring to officials recruited as spies.

One result of the proposed CIA action would be to reduce the U.S.

See CIA, Page 4

#### WORLD CUP GRANDSTAND

Italy 1, Norway 0

Italy's World Cup nearly turned into a nightmare on Thursday when goalkeeper Gianluca Pagliuca was sent off midway through the first half for handling the ball outside his area. But Dino Baggio put Italy in front with a diving header in the 68th minute and Norway could not score.

U.S. 2, Colombia 1

If soccer does catch on in the United States, it began doing so in Pasadena, California, where an own-goal by Colombia and a shot by forward Ernie Stewart gave the United States its first victory in the finals since that 1-0 stunner against England on June 29, 1950.

The Colombians, a pretournament fa-vorite, fell to 0-2 and were further battered by death threats from home that kept midfielder Gabriel Gómez out of the match.

A Cameroon Boycott?

The long-standing dispute between Cameroon's players and the national federation has come to a head, with the team threatening to boycott Friday's match against Brazil. The players reportedly have not been paid for two

Priday's matches: Mexico vs. Ireland, at Orlando, Florida, 1635 GMT; Brazil vs. Cameroon, at Stanford, California, 2005 GMT; Sweden vs. Puesta, at Pontiac, Michigan, 2335 GMT.

World Cup report: Pages 22 and 23

## High and the Mighty, Across the U.S.



Alexi Lalas in a celebratory leap after the American soccer team defeated Colombia, 2-1, in a first-round World Cup match in Los Angeles. Page 22.

Hakeem Olajuwon led the Houston Rockets to a 90-84 victory over the New York Knicks for the National Basketball Association title. Page 20.



## **Upsets Claim** Edberg, Courier

Kiosk

Two-time champinn Stefan Edberg and last year's runner-up, Jim Courier, became the latest upset victims Thursday at the Wimhledon tennis tournament

Edberg lost in five sets to 113thranked Kenneth Carlsen of Denmark. Courier, winner of four Grand Slams. was defeated by France's Guy Forget, who has been sidelined most of the past year after knee surgery. (Page 21)

Page 8. Books Page 9. Page 9.

## Is South Africa's Mr. Nice Guy Too Nice?

By Bill Keller

New York Times Service
JOHANNESBURG — Some imagined that President Nelson Mandela would be. Africa's Franklin D. Roosevelt, and a few predicted Fidel Castro. But who ever imag-ined that the first black president of South Africa would be Mister Rogers, the gentle uncle of American television?

And yet, the tone that Mr. Mandela has set in his first weeks as president is, in a word, nice. He is easygning and unexcitable, comforting, never scoiding, with friendly words for everynne, from disgruntled tribal elders to white racists.

He has hizzed no dramatic policy trails, rocked no boats, demanded little from the affluent white minority and only patience from the black majority.

Already, just six weeks into Mr. Mandela's term, there are the first mutterings from admirers that the leader is too nice.

too attentive to vested interests, that he has squandered an opportunity for a quick break with the past, and even that he has forgotten the wretched majority who elect-

"If the government has lost touch with the ordinary people after only a few weeks in office, heaven help us five years down the line," wrote Jon Qwelane, a hlack editor and columnist known for his indepen-

No one in South Africa yearns for the hair-trigger anxiety that preceded Mr. Mandela's election, and his popularity in hlack townships remains euphorically high. Supporters argue that his emphasis on reconciliation is amassing goodwill and political IOUs that will serve him well

when the time comes to call for national But Mr. Owelane said, "reconciliation does not mean total capitulation."

commentators provoked by Mr. Mandela's decision not to declare a national holiday on June 16, the anniversary of the Soweto student uprising in 1976, which, especially in the minds of young blacks, is the country's real independence day.

Business leaders said the economy had suffered enough from quasi-official hnli-days and workless celebrations of the new order, and Mr. Mandela agreed. But the decision prompted headlines like "How Quickly They Betray the People" and "A Government in Name Only.'

Worse, to some critics, Thabo Mbeki, Mr. Mandela's first vice president, chose that day to meet with white separatists and discuss their demands for an Afrikaner

Other incidents that have prompted See NICE, Page 4

#### **New Track for Toyota Chief** Deregulation Is Lobbying Goal in Japan By Steven Brull al Herald Tribune TOKYO - In the driver's seat at Japan's biggest car company, Shoichiro Toyoda empoyed control bordering on the autocratic. But since becoming chairman last mighth of Keidanren, Japan's most powerful business lobby, the de facto lead-

er of Japanese industry is still struggling to get a feel for the road. In an interview Thursday, his eyes vecred only reluctantly from a tattered briefing book, from which he plucked platitudes about the importance of deregula-

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tion, corporate responsibility and the need to improve the lot of Japanese consumers. But Mr. Toyoda, who is also chairman of Toyota Motor Corp., acknowledged that running Keidanren, which groups more than 1,000 of Japan's higgest compa-

nies, will provide a new test of his skills. "I won't be able to apply too much of my experience from Toyota," said the softspoken but confident 69-year-old. "I've got a lot of homework to dn."

Indeed, the road ahead for Mr. Toyoda will be all the more challenging because he must steer an organization that faces an identity crisis and declining influence.

The biggest blow to the organization came last year, when Mr. Toyoda's predecessor, Gaishi Hiraiwa, chairman of Tokyo Electric Power Co., decided it would stop paying billions of yen in political donations, mostly to members of the scandal-plagued Liberal Democratic Party. That, combined with the end of Liberal Democratic governance after 3g years, dealt a hlow to Keidanren's power and dented the so-called Iron Triangle of big husiness, politicians and bureancrats.

Mr. Toyoda conceded that political donations had been a source of influence, hut said the power was minimal relative to Keidanren's overall activities. In any event, he said, any losses would be offset by contributions by individual companies and industry associations as well as new activities that gained the support of members and consumers. Still, given the instability of Japanese politics, analysts say it is

getting harder to know to whom donations See LOBBY, Page 4

## 'Dream House' on the Volga A Rich Gypsy's Residence Angers Neighbors

By Lee Hockstader

Washington Past Service
ZUBCHANINOVKA, Russia — The streets are not paved, the weeds are not trimmed and the neighbors are definitely not friendly. No matter. This is where Nikolai

Panchenko has built his dream house.

Make that "dream castle." What clse can you call Mr. Panchenko's colossal, turreted, walled-off brick mansion with its cavernous bedrooms, a sauna and swimming pool in the basement and stained glass windows up-

The marble entrance hall is big enough to accommodate a few hundred close friends under a massive crystal chandelier.

"Under the totalitarian regime, this was all banned," said Mr. Panchenko, a 36-year-old merchant, stating the obvious. "The total area we could build a bouse on was 50 square yards. And now, imagine! We can build a house as big as we want! And the spirit cries out for space!

This is the face of new money in provincial Russia, where for the few Russians who are getting rich, consumption is conspicuous.

Here in a drab suburb in the middle of nowbere, more than 20 mansions of similar proportions and architectural grandeur are rising on land previously occupied by piles of garbage and thickets of bushes. The price? A cool \$350,000.

But attitudes in the Russian heartland are changing more slowly than the landscape. Mr. Panchenko's neighbors, who have watched in silence as the mansions were built over the last few years, are convinced he must be some sort of crook. How else could he afford such upulence when everyone else lives so poorly. with the economy in a mess?

"I don't like it and I don't think anyone else bere does," said Marina Samykina, 28. a bousewife whose pitiful little wooden house is just down the street from a brick mansion much like Mr. Panchenko's that is still under construction.

Mrs. Samykina sat unsmiling on a step in front of her bouse minding her children as they played in the dirt.

"These people are condescending," she said, pointing up the street with her chin. They're snobby. Even their children look down their noses at our children. They think we should serve them in their big houses."
"If they have so much money, they should pay to bave this street paved," she added.

There is a cliché about the Russian provinces that anyone who makes good or gets ricb becomes the object of his neighbors' suspicion and resentment. What matters is not keeping up with the Joneses, but making sure the Joneses don't do any better than

The attitude is summed up in a joke about provincial life: "My neighbor's goat died.

By Margaret Shapiro

Washington Post Service

police promised a "hurricane"

this week to cleanse the city of

brazen gangsters and criminals

who have made the capital their

Thursday that the anti-crime

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MOSCOW - The Moscow

Leaks Outrace Moscow Police

Wednesday on dozens hot spots

in the city, including casinos

But leaked information got there first, and when the police

ous spot that had posted a sign

Closed for sanitary cleaning."

In the places that were open.

the police ended up hauling in

failing to register their stay in

the city or possessing false doc-

"Desert Storm was much

article that could barely conceal

nized crime rings as well."

The whole operation seemed

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Sank roo doe noo" 9

to spend their free bours.

Raiders in Gangster Crackdown Find Sites Abandoned

Such a small thing. Still, I'm happy about it."

The director of a new movie called "My Chicken Ryaba," Andron Koncbalovsky, depicts a village in modern Russia that rises up to ruin one of its own - a man who has

become rich operating a sawmill. The man lives in a big house with a modern kitchen and has enough vodka to send the whole town on a bender. The villagers resent him and his wealth and they spend most of their time and energy scheming to put him out

Like any cliché, this one has its problems. Many Russians these days are scrambling to make better lives and find new incomes as old factories fall on hard times. Attitudes among the young, in particular, are changing fast. Many students say they want a career in

But the old views live on in small towns like Zubchaninovka, 800 kilometers (500 miles) southeast of Moscow—a suburb of the Volga River city of Samara, which in Communist times was named Kuibysbev in honor of a Stalinist stalwart

Steeped in Soviet propaganda for decades, many people bere still regard selling goods at a profit as somehow dishonest, even if no longer illegal. They have a word for moneymaking commerce: spekulyatsia, and the word is usually pronounced with a tone of indignation, as if no right-thinking person would stoop to such shiftless behavior. "Of course it's dishonest," said a laxi driv-

er, expressing the common view. "These peo-ple have never worked in production. They've never worked in factories.

Such thinking is aggravated by the fact that most of the new mansions bere are being built by Gypsies, including Mr. Pancbenko, who were engaged in buying and selling when such commerce was still illegal.

With reforms in the last five years, their

businesses have taken off, and they are making small fortunes trading in consumer goods, furs and other products.

Mr. Panchenko's father, also named Nikolai, spent nine years in prison for speculation—selling sheepskin hats and nylon raincoats. Now, at the age of 77, he pads around his son's house with the belp of a cane and watches with satisfaction as the younger Nikolai expands his business, opening a food store, dealing in car parts and importing con-

"All my life has been business." the elder Pancbenko said. "We've always respected capitalists and capitalism. Gypsies are freedom-loving in this respect.

"But the Russians are slow to accept this," be said. "For 70 years they've been brainwashed. Everything was banned, the same concepts were drummed into their beads. It is only with the new generation that these old ideas will change.

and Interior Ministry special the major concern for most

troops, wearing flak jackets and Russians who find themselves

gripping Kalashnikov automat- dodging assassinations, car

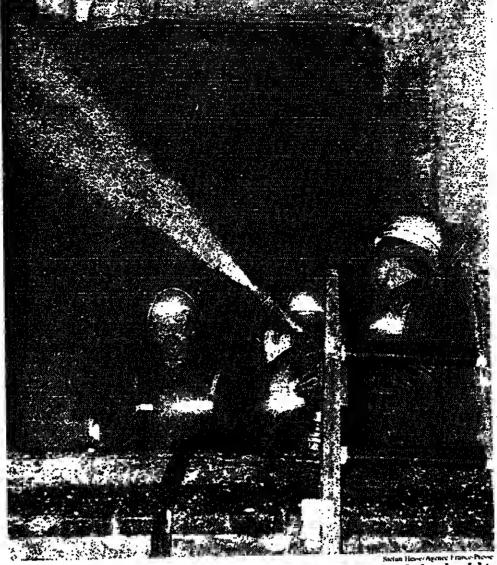
and hotels where members of series of crime-lighting decrees the so-called Russian maria like to "combat banditry," which

arrived, many places had been recommendations, include

sbuttered, including one notori- many provisions, such as enter-

people for minor crimes like Russian Constitution.

ic rifles, descended early bombs and other violence.



Hamburg fire fighters hosing down a house for asylum seekers hit by fire during the night.

## Court Frees German in Arson

Judge Hints Villagers Paid for Fire at Foreigners' Hostel

By Stephen Kinzer New York Times Service

POTSDAM, Germany -German judge has found a 19year-old man not guilty of setting a fire that destroyed a hos-tel where asylum-seekers were colossal defamation." But all to be housed, and he suggested that residents may not have bad been burned. been telling the truth when they denied having paid money to denied having set the fire but said he knew that three skinhave the fire set.

November 1992, one day before 86 Africans were to move in.

The defendant, Silvio Jackowski, was picked up after he Jackowski drove the assailants was overbeard boasting that residents of Dolgenbrodt, a villes definitively answered," lage 40 kilometers (25 miles) Judge Klaus Przybilla said in residents of Dolgenbrodt, a vilfrom Berlin, had hired him and a group of skinheads to set the Wednesday. "storm" had given organized crime groups a good laugh.

About 20,000 Moscow police which recent polls show is now

trial custody, Mr. Jackowski re- cused not guilty." fused to repeat his assertions.

But at the trial he unexpectedly

"There was a high degree of acceptance in the village," the dents who he said were involved run into a wall of silence. The Nazis were involved.

in collecting \$1,250 to pay the arsonists. He denied receiving Mr. Jackowski was sentenced any of the money.

tify, and denied involvement. One said the assertion was "a said they were happy the house of time waiting trial.

At the trial, Mr. Jackowski heads, whom he refused to attention, arsonists destroyed the hostel in Dolgenbrodt in was the driver of the car used by

the arsonists.
"The question of whether to the scene of the crime cannot announcing his verdict Wednesday. "The court has reasonable doubts, and is there-During his 10 months in pre- fore obligated to declare the ac-

named three Dolgenbrodt resi- judge added. "The court has

Mr. Jackowski was sentenced to a four-week prison term for All three were called to tes- driving without a license and carrying a weapon but was released because he had aiready served more than that amount

> He was denied driving privileges for 18 months and the juvenile justice agency in his hometown was ordered to monitor him for a year.

> Hamburg Home Burned A home for foreign asylum

seekers was set on fire during the night in the northern port city of Hamburg, the German police said Thursday, according to Reuters.

The six occupants of the building escaped unhurt after fires broke out simultaneously in four separate places; the police said.

The home had boused up to 185 people, but most bad moved out because of renovations. The police said they had found no indication that neo-

## WORLD BRIEFS

Kashmiri Separatists Free 2 Britons

SRINAGAR, India (Reuters) — Muslim separatists in Kashmir, who had held two Britons for 17 days, released them unharmed Thursday, banding them over to a group of journalists at a border hideout

Kim Housego, 16, and David Mackie, 36, were abducted by the Harakatul Ansar militant group on June 6 while hiking near Pahalgam, 50 kilometers (30 miles) southeast of Kashmir's summer control of the co

A Renters correspondent, present at their release in the Anantage nag district, said the Britons were in good health. "We were treated well," one of them said. A Kashmiri journalist who declined to be named said the railitants were reluctant to hand the two over to Indian officials. mer capital Srinagar. two over to Indian officials.

Fighting Leaves 25 Dead in Yemen

ADEN, Yemen (AFP) — Northern rocket and artillery attacks on Aden and fighting around the city killed 25 people on Thursday and wounded 138, hospital officials said.

Seventeen civilians were killed and 90 wounded as rockets slammed into the northern suburbs of Aden and shells hit the city

slammed into the northern suburbs of Aden and shells hit the city center, including the fish market, officials at the main hospital

Fierce fighting on the north and northwestern fronts at Saber and Bir Ahmed left eight soldiers dead and 48 wounded when the northern troops launched two offensives. Southern military sources said the north had managed to seize the entrance to the town of Bir Ahmed, 15 kilometers (9 miles) northwest of Aden. close to the city's power station.

Bosnian Troops Press Muslim Rebels

SARAJEVO. Bosnia-Herzegovina (Reuters) — Bosnian government troops pressed ahead on Thursday with an offensive against rebel Muslims in the north but the rebels rejected predictions by foreign military observers that they faced defeat.

United Nations sources said UN and European Union monitors of a government offensive that has broken into the separatist Bihac enclave ruled by a local tycoon, Fikret Abdic, were convinced "his days are numbered."

But Mr. Abdic's military commander. Asim Delic, told report-

But Mr. Abdic's military commander, Asim Delic, told reporters: "I bave full confidence in the units of our people's defense because this is, after all, a people's army." Mr. Abdic, a food-processing magnate, declared autonomy last September.

Presidential Vote Opens in Belarus

MINSK. Belarus (Reuters).—Voters turned out in large numbers Thursday for the first presidential elections in this former Soviet republic since independence. The conservative prime minister, Vyacheslav S. Kebich, pledged to push ahead with plans for closer ties to Russia if he won. Four of the six candidates favor a more cooperative relationship with Russia.

Mr. Kebich, a strong advocate of a monetary union and defense

Mr. Kebich, a strong advocate of a monetary union and defense pact with Russia, was ahead of five rivals in opinion polls. But he was likely to be forced into a run-off against an anti-corruption

campaigner, Alexander Lukashenko.

Speaking outside a polling station, Mr. Kebicb said President
Boris N. Yeltsin of Russia had agreed to soften the terms of the monetary union during more than four hours of talks in Moscow on the eve of polling.

Singapore Flogs a Hong Kong Youth

SINGAPORE (AP) — A Hong Kong youth charged in the same vandalism spree as Michael P. Fay received six lasbes on Thursday, the government said.

The youth, Shin Chi Ho, 17, was among 10 inmates flogged with a street statement in the content of the content o

rattan cane at Queenstown Prison, a brief statement from the Prisons Department said. "He was examined by a prison doctor after the caning and found to be in satisfactory condition," it

Meanwhile, the Home Affairs Ministry said Mr. Fay's assertions that investigators had obtained his confession through torture could not be taken seriously unless he filed a formal complaint and sued the officers for assault and battery. "Fay's allegations of police torture and protestations of innocence will generate publicity for his story and can help self the story at a higher price," the ministry said. It reiterated its position that the allegations of the American teenager were groundless.

#### Jakarta Ban on Magazines Protested

JAKARTA (Reuters) — Protesters against a ban on three outspoken Indonesian magazines on Thursday gave the government a three-day ultimatum to lift the clampdown or face the possibility of nationwide demonstrations.

Adnan Buyung Nasution, head of the Legal Aid Foundation. said the ultimatum was conveyed at a meeting with Subrata, the Information Ministry's directo

"It was a tough meeting," Mr. Nasution said. "He was very polite but couldn't respond positively to our demands. So, we gave him until Monday to respond. If they don't, there will be largescale demonstrations all over the country."

## U.S. to Pursue Allegations of Fraud By Tobacco Firms in Nicotine Dispute

Ms. Reno sairi.

tine tobacco.

legations that tobacco company tine levels of tobacco, Attorney General Janet Reno said Thurs-

Her comments came just be-

fore a senior executive of Brown

& Williamson Tobacco Corp. accused the Food and Drug Ad-

ministration of a set-up to make

it look as though the company had lied to the government

On Tuesday, the Food and Drug Administration commis-

sioner, David A. Kessler, said

Brown & Williamson secretly

developed tobacco with double

the usual nicotine, pumped it into cigarettes and then misled

federal investigators about it.

Dr. Kessler said the company

had denied breeding any such tobacco until June 17. wben

Brown & Williamson learned

Denmark © ◆

Dominican Republic

Parliament and human rights groups bave demanded that Mr. Yeltsin suspend the decrees. In response, he accused Parliamore effective than Moscow ment of dragging its feet on Hurricane," the daily Moskovs-kaya Pravda commented in an said be would not back down. President Yeltsin bas in-

To make good on his word, Mr. Yeltsin recently issued a

give the police broad powers to

ing premises without warrants and holding suspects for 30 days without charges, that vio-

late rights outlined in the new

The decrees, based on police

arrest and hold suspects.

disdain. "It seems that the in- structed the Interior Ministry formation about the operation and Federal Counter-Intelli-had been given not only to po-lice special forces but to orga-the KGB security police, to prepare a nanonwide crackdown plan by the end of the week. Officials indicated that spe-

to confirm what many Russians now take as an article of faith — cial crime-lighting restrictions criminal groups have become so might be imposed in several strong and brazen that they Russian cities where crime now bave stretched their tentacles seems out of control, possibly including Moscow, St. Peters-hurg, Vladivostok and Yekaterdeep into the police and the government as well. President Boris N. Yeltsin, in inburg.

The director of the Federal Counterintelligence Service, Sergei Stepashin, said Thursday Havry's Bar

that be was in favor of violating buman rights "if the person is a bandit or criminal." The police were predicting greater success for similar oper-

ations in the future. But they

acknowledged that leaks might

WASHINGTON — The Justion had uncovered its genetitice Department is reviewing al- cally altered tobacco plant.

On Thursday, Thomas Sanexecutives may have lied to regulators and Congress about the safety, addictiveness and nicobacco plant called Y-1 and that Dr. Kessler never asked his

company about it. "We're looking at all the alle-"It now appears, at least to me, that FDA had known about gations, all the comments, all the information that we have Y-1 early on with the intent of received to determine what engaging in a course of conduct would be the appropriate action by the Justice Department in terms of a variety of issues," that in effect set B&W up," he told the House Energy and Commerce health subcommit-

Brown & Williamson discovered through a third party that the Food and Drug Administra-tion was investigating Y-1, he

He also accused Dr. Kessler of dramatizing the investigaabout developing a high-nico-tion.

8 Die in Helicopter Crash

MOSCOW — Eight people died and three were injured when a belicopter crashed in Tatarstan, east of Moscow, the Ministry for Emergency Situa-tions said Thursday. The belicopter was reported to he

\$2014/022

Lawmakers have accused seven tobacco chiefs of lying under oath about the addictiveness of cigarettes and whether

they manipulate nicotine levels. The Justice Department's criminal, civil and antitrust divisions are among the offices lonking into the matter, Ms. Reno said. The department had not yet determined whether it should conduct a full-scale in-

vestigation, she added.

An R.J. Reynolds Tobacco
Co. spokeswoman, Peggy Carter, said the company would cooperate with the Justice Department, but contended there was no basis for prosecution.

On May 27, seven members of Congress asked the Justice Department to conduct a crimi-

nal investigation into the tobacco industry's activities for the last 40 years. In a letter to Ms. Reno, the lawmakers said cigarette com-panies may have committed

fraud and perjury beginning in the 1950s by allegedly hiding evidence that cigarettes were

hazardous.

They also alleged that the chiefs of the seven largest U.S. tobacco companies may have perjured themselves when they testified before Congress in April that they had no evidence nicotine was addictive.

#### TRAVEL UPDATE

## Lufthansa to Seek New Paris Access

PARIS (IHT) - Lufthansa German Airlines will seek landing rights at Orly airport south of Paris, following the example of British Airways and its French affiliate TAT, according to Jürgen Weber, president of the German airline. Mr. Weber told the French newspaper Le Monde that he would be astonished if France refused the request following the ruling by the European

Union that it had to open Orly to British Airways.

France's main regional carrier, Air Inter, a subsidiary of stateowned Air France, has its main base at Orly, and bad opposed opening the airport to foreign competition. Most internationally carriers operate out of Charles de Gaulle airport north of Paris. Mr. Weber said Lufthansa would seek routes out of Orly to Frankfurt and Munich.

Customs officers on Cyprus went on an indefinite strike Wednesday, leaving ports and airports unmanned. "There is simply no one to check anything, we are all on strike," one officer said Thursday. Airport and port officials said there were no delays in flights or shipping. (Reuters)

Lufthansa said it would lower fares starting Sept. I for selected domestic flights on six rounces connecting Cologne, Düsseldorf, Hamburg, Berlin and Munich. The airline also said it would simplify domestic check-in procedures.

Bomb attacks are keeping visitors from Turkey's coast and striking a new blow at the country's tourist industry, travel agents and hoteliers said. Blasts at the Mediterranean resorts of Marmaris and Fethiye, blamed on Kurdish guerrillas, wounded 1st tourists, including a British woman who required surgery for head wounds, and 10 Turks this week.

(Retters) Belgian rail unions called for a 24-hour strike starting at 10:00 P.M. on Thursday. The strike was expected to halt domestic and international services. Unions are objecting to economy measures

by the national SNCB railway company that could lead to a loss of



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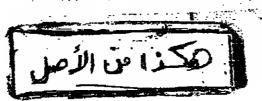
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Muslim Rebels (Reuters) — Bosnian gov

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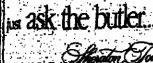
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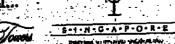
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AP, Reuters, NYT

## THE AMERICAS / BACK ON THE FRONT PAGES

## Diplomat or Meddler, Carter Is Back in the Game

By Elaine Sciolino
New York Times Service
WASHINGTON — In the 14 years since he left the White House, Jimmy Carter has monitored elections, mediated disputes, promoted democracy and worked to eradicate illnesses like

Korea last week to thrust the former president back onto the front pages and into a foreign policy maelstrom that has had officials and commentators arguing for a week about whether he was making peace or just making trouble.

Now President Bill Clinton has an-

nounced that he will restart talks between Washington and Pyongyang next month after North Korea's pledge, first made to Mr. Carter, to freeze its nuclear program.
Suddenly, some — but not all — of the same officials who complained that

Mr. Carter had been duped by a dictator are praising him for his diplomatic daring. And suddenly, although per-haps temporarily, Mr. Carter has been vindicated.

For months, Mr. Carter had been asking the administration to allow him to play a foreign policy role, writing letters to Secretary of State Warren M. Christopher and lobbying senior officials who had worked for him with

ficials say.

But both Mr. Christopher and the national security adviser, W. Anthony Lake, had been reluctant to dispatch their former boss to distant capitals. and worked to eradicate illnesses like
Guinea worm disease.

But it took an unusual visit to North

yourself in awkward positions," one

senior official said. Another reason for the arm's length attitude was Mr. Carter himself. He is so fiercely independent that in

1987, despite strong suggestions from the Reagan administration's State Department that he stay home, he went to Syria for a bit of peacemaking. He was given head-of-state treatment and end-ed up praising President Hafez Assad for doing all he could to help free American hostages in Lebanon.

It was Mr. Carter who, in one of his first major foreign policy decisions as president, began the withdrawal of U.S. troops from South Korea, a move soon reversed but never forgotten or fully forgiven in Seoul. But the former president, who was trained as a nuclear engineer in the navy, is nothing if not determined.

open-ended invitation to visit in early 1991, but the Bush administration blocked it. The Clinton administration gave him the go-ahead.

offers to help resolve conflicts in Mr. Carter said he was alarmed by White House could take places like the Sudan, Somalia and the the possibility of a confrontation with Clinton did Wednesday.

Middle East, senior administration of-ficials say.

North Korea that was laid out for him at a three-hour intelligence briefing But both Mr. Christopher and the that Mr. Clinton arranged for him at operator into a formal emissary, callhis home in Plains, Georgia. The former president felt he had to get himself reinvited so that he could talk to President Kim Il Sung face-to-face.

"I decided, on my own initiative, to question the North Koreans about

'If you have freelancers running around you lose control.'

Senior administration official

whether my invitation for a visit still was effective," Mr. Carter told a group of reporters in Washington on Sunday. After the North Koreans said it was, Mr. Carter phoned Vice President Al Gore to tell him be was "strongly in-the meeting disintegrated into a heated clined to accept." Mr. Gore took the debate on bow to respond, according matter to Mr. Clinton, who approved. to officials familiar with the meeting.

By the time the State Department said, it was too late to undo.

North Korea first sent Mr. Carter an to have it both ways. Mr. Carter was briefed extensively. If the trip failed, Mr. Christopher urged extreme cau-the White House could distance itself tion and said the administration had to by saying that Mr. Carter was just a private citizen. If it succeeded, the tions. Mr. Lake tried to broker a deal. White House could take credit, as Mr.

ing him "a distinguished American private citizen" who was sent to "communicate the position of our administration" and who "made a very persua-

But for some officials those words could not crase a different impression.

There were two instances that particularly rankled administration offi-

At one point while Mr. Clinton's senior advisers were discussing North Korea at the White House on Thursday afternoon, Washington time, Mr. Carter called to tell Assistant Secretary of State Robert L. Gallucci that he was about to go public on CNN announcing a proposal made to him by Mr. Kim to freeze its nuclear program.

Senior officials were horrified and

Mr. Gore argued that the proposal got wind of the plan, senior officials was an opportunity that must not be missed and that the United States So the administration decided to try have it both ways. Mr. Carter was bracing the North Korean proposal. stay on course with its drive for sanc-

was arguing that the statement should contain language suggesting a break-through, Deputy Secretary of State Strobe Talbott told him bluntly, "I

couldn't disagree with you more. The result was a statement with a dual message - an embrace of the proposal if it was real, and a pledge to continue to consult on sanctions at the

United Nations. And then, even though Mr. Lake read it slowly and carefully twice to him, Mr. Carter botched his lines. As a CNN camera rolled, he told Mr. Kim during a sail on his yacht that the administration had backed off its

strategy of pursuing sanctions On Sunday, Mr. Carter acknowledged to journalists that he had made a nistake. "It's my fault," be said.

But that was before the North Koreans reconfirmed their pledge to Washington. No matter that the pledge essentially goes no further than what the North Koreans have promised before and simply may have bought them

time to pursue their weapons program. No matter that Washington has suspended its call for sanctions and a key condition for face-to-face negotiations: that North Korea first come clean about past diversions of plutoni-

In the words of Mr. Carter to CNN At one point, when Leon Fuerth, after Wednesday's announcement, "It Mr. Gore's top foreign policy adviser, really was kind of like a miracle."

## North Korea Set for 'Fair And Equal' **U.S. Talks**

cans on the Senate Finance Committee are approaching Compiled by Our Staff From Dispotches agreement on a national health insurance plan that would TOKYO - North Korea require people to buy health insurance for themselves and not said Thursday it expects to bold talks "on a fair and equal basis" If the three Republicans and five Democrats can agree with the United States aimed at among themselves, they will present their plan to the other 12 reaching an overall understandmembers of the committee Friday. They said they thought

APPLAUSE FOR A VETERAN - G. V. Montgom-

ery, Democrat of Mississippi, receiving applause from Bill Clinton on the 50th anniversary of the GI Bill of

Rights. Mr. Montgomery, a World War II veteran who

heads the House Veterans' Affairs Committee, spon-

sored an extension of the bill's education benefits.

Health Coverage Plan Spares Employers

ment on the plan because she did not know its details. But she

added. "I am encouraged by what I hear is very substantive.

of Kansas, the minority leader, said that he was preparing an alternative plan and that "I think we are still a long way from any consensus either in the committee or in the full Senate."

senators and sides described some major features.

the American people's being insured,

Israel, and Thailand.

Quete/Unquote

**Away From Politics** 

While the compromise plan was not available in writing,

The plan would provide subsidies for people who cannot

afford to buy their insurance. The requirement that people

huy their own insurance would not come into effect until 2002, they said. And it would take effect only if other methods

to spread health insurance — like laws to make it easier for

small businesses to join together and bargain for good rates,

or a ban on excluding people with pre-existing medical problems — had not led to either 95 percent or 96 percent of

Rights Group Criticizes U.S. Arms Sales

WASHINGTON —Amnesty International USA criticized

the Chinton administration for continuing to sell arms or

provide military training to 19 nations that the group claims have repeatedly committed human rights abuses, including such stalwart U.S. allies as Saudi Arabia, Turkey, Egypt,

Israel, and Thailand.

The human-rights organization charged that despite a repackaging and scaling back of Washington's security assistance effort last year, "the bottom line has not changed from previous administrations. The U.S. provides weapons, training, and funds to human-rights violators and does little to monitor how they may be used."

A report by the group said that in the fiscal year 1995, the administration plans to sell nearly \$30 billion worth of conventional arms and provide \$5.4 billion worth of economic and military assistance to U.S. allies that engage in prac-

ic and military assistance to U.S. allies that engage in prac-

tices such as systematic suppression of political dissent, torture of prisoners, and fomenting of ethnic or religious violence.

President Clinton at the Democratic Party fund-raiser in

Washington: "We must not become mired in the cynicism and the negativism that dominates the debate here in Wash-

ingion every day." (Reuters)

• An Indiana woman was found guilty of shooting and killing a Methodist minister, her former boyfriend, in front of his congregation and daughter. Elizabeth Mayberry, 37, will be sentenced July 20 for killing the Reverend Roland Phillips Jr. She had pleaded innocent by reason of insanity in the Sept. 19, 1993, killing. She faces a term of up to 60 years and may receive psychiatric treatment in prison.

The state of Delaware has executed 45-year-old Andre

Deputy for his role in the brutal double slaying of an elderly couple, who were robbed to finance a drinking bings. It was the fourth execution in Delaware and the 245th nationwide

since a 1976 Supreme Court ruling allowing states to resume

using the scath penalty.

A study by the Search Institute of adopted adolescents and their families in Colorado, Illinois, Minnesota and Visconsin

has found that these teenagers were no more likely than other

thlicans were more dubious. Senator Bob Dole

make employers buy it.

WASHINGTON - Moderate Democrats and Republi-

they could get enough votes to have the committee then send the measure to the full Senate for debate. A North Korean Foreign Ministry spokesman, quoted by Deadlock in the Finance Committee has presented the the official Korean press agenmost severe congressional threat to hopes of passing legislacy, KCNA, confirmed word from Washington that the two tion that would insure all Americans. Many supporters of that goal said it was a major step toward the overhaul of the sides would meet in Geneva nation's health care system. Some members of the committee early next month to resume a said they had reservations about the proposal but would vote dialogue broken off earlier this for it anyway to keep the process going.

The Clinton administration was tentatively friendly to the year after two rounds. The White House sald talks would centrist efforts. Hillary Rodham Clinton, after meeting with Democratic senators at lunch, said that she would not com-

ing with Washington.

probably start July 8.
"We expect that the third-round talks will be held on a fair and equal basis so that a reached for a fundamental solution of the nuclear issue and for the improvement of relations between the DPRK and the United States as a whole," the North Korean spokesman said.

The dispute over international suspicions that North Korea is secretly making nuclear weapons turned to bitter confrontation earlier this month. The United States led a drive for United Nations sanctions against Pyongyang, which said sanctions would be an act of

The North Koreans, meantime, have been seeking a broad understanding with the United States that would include diplo-matie recognition and econom-ic help. In announcing agree-ment to resume talks, President Bill Clinton said Wednesday night that the negotiations would encompass a "full range

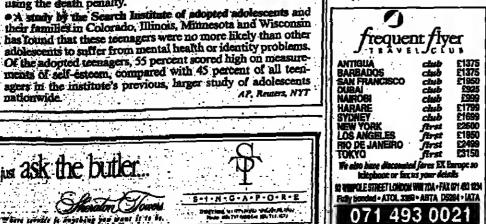
An apparent breakthrough came last week when former President Jimmy Carter met President Kim Il Sung in North Korea, Mr. Kim "told Mr. Carter that the key to a solution of the nuclear issue was to build confidence between the DPRK and the United States," said the North Korean spokesman, quoted by KCNA and moni-tored in Tokyo.

"And he made an important

proposal to break the present deadlock between the DPRK and the United States and reach a fundamental solution of the nuclear issue. On this basis, a series of working contacts were made between the DPRK and the U.S. recently to hold the third round of talks," the

spokesman went on.

"Robert Gallucci, head of the
U.S. side's delegation to the
DPRK-U.S. talks, in a letter to
his counterpart of our side June
20, confirmed the question of
laying a groundwork for the talks and proposed to hold the third-round talks to discuss the guarantee of security and overall political and economic issues between the DPRK and the United States.



## A Short-Lived New Beginning

Sister Says Nicole Simpson Was Ready 'to Start Life Over'

By Sara Rimer New York Times Service

LOS ANGELES — For nearly balf her life, Nicole O.J. Simpson's girlfriend, his wife, then his former wife, But in her last days, after she had broken off efforts to get back together, she had been strug-gling to be Nicole Brown.

Hours before Mrs. Simpson was killed, she and her family - her two children, her parents, two of her sisters - were celebrating her freedom at Mezzaluna, one of ber favorite neighborhood restaurants. "She was just so vivacious, so

Denise Brown, said in a telephone interview on Wednes-"She had just gotten it all together, and it was so excit-ing," she said. "I was so happy is known about Nicole Brown,

full of life," her older sister,

life, she was able to have her own friends. We were talking about going to Yosemite, camping, taking the kids to Club

North Pushing Missile Project, Analysts Say

Agence France-Presse LONDON — North Korea, which has agreed to freeze its nuclear program to avert United Nations sanctions, is speeding up development of two new ballistic missiles, Jane's Defense Weekly reported Thursday, quoting U.S. intelligence.

It said the Taepo Dong-l, with a range of 2,000 ki-lometers (1,200 miles), might become operational as early as 1996 while the Taepo Dong-2, a two-stage missile with an even longer range, could go into service by the year 2,000.

Pyongyang may be plan-ning to test the first stage of the TD-2 sooo on its test range, which is currently "undergoing modifications that could be the prelude to such a test," Jane's said.

The weekly said that if North Korea succeeded in deploying nuclear-armed missiles, "the status of Taepo Dong is crucial."

"She was so happy," Ms. Brown said. "She had broken Brown Simpson was known as up with O.J. a week and a half before. She was going to start Funny thing, she still loved O.J. She just couldn't live with him."

Sometime after she left the restaurant that evening, Mrs. Simpson was slain on the steps of her townhouse. She had just turned 35. Even now, it is her former

husband, charged with the murder of Mrs. Simpson and a friend, Ronald Goldman, who is drawing all the attentioo. There is an extensive record

of his public life -- as a football hero, a television pitchman, Hollywood actor, the man about town with the beautiful. for her. For the first time in her and her life with O.J. Simpson. "She was totally, totally de-

voted to this man," Denise Brown said. Then, referring to Mr. Simpson's best friend, Al Cowlings, who helped him flee the police last Friday, she add-ed, Even A.C., be says to me, Denise, I could not believe a woman could love a man as much as she did, bringing him coffee every morning, in bed.' Every morning for how many years — 18 years — she was so in love with him."

They fell in love when she was a teenager, and until their divorce in 1992 they seemed to define the California dream. His life was her life. The \$5

million mansion in Brentwood, on the same street as Mervl Streep, the actress, and Michael Ovitz, chairman of Creative Artists Agency. The \$2 million oceanfront house in Laguna Beach. His and her Ferraris. Vacations in Vail, Colorado, and Mexico.

But there was a price. Friends of the couple said he tried to control the relationship and even after their divorce appeared to be possessive about

Several times in the last years of their marriage, she called the police to the Brentwood home. After a New Year's Eve party in 1989, a frantie Nicole Simpson telephoned the police again. As officers arrived, friends of

Med. Everything was going to cheek and a handprint on her revolve around the kids. neck, they said.

Several months later, Mr. Simpson pleaded no contest to spousal hattery. A judge fined him \$700 and allowed him to ber life over. It was going to be choose his own psychiatrist for without O.J., with her children. Around the same time, a

smiling, relaxed Mr. Simpson dismissed the incident in a 1989 television interview with ESPN, saying: "We had a fight, We were both guilty. No one was hurt. It was no big deal, and we got on with our life,"

Now, Mrs. Simpson's death has touched off a national debate over spousal abuse as a hidden crime, But Denise Brown, 37, says she doesn't want her sister to be remembered only as a victim.

"She was not a battered woman," Ms. Brown said. "I don't want people to think it was like that. I know Nicole She was a very strong-willed persoo. If she was beaten up, she wouldn't have stayed with him. That wasn't her. Everybody knows about 1989. Does anybody know about any other time?"

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## For reservations, call: Mrs. Simpson said later, she ran out of the bushes, yelling: "He's going to kill me! He's going to kill me!" She had a cut lip, a (34-5) 283 11 40 or Fax: (34-5) 283 34 29 swollen black eye, a bruised

Van Cleef & Arpels

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## In '93, a Desperate Call for Help

LOS ANGELES -- An enraged O.J. Simpson kicked in a door to his former wife's home last year after becoming upset earlier in the day over a picture of an old boyfriend in her photo album, according to police records.

"My ex-husband has just broken into my bouse and be's ranting and raving outside in the front yard," a frantic Nicole Brown Simpson told a 911 dispatcher.

"Has he been drinking or anything?" the dispatcher asked.

"No," Mrs. Simpson replied. "But he's crazy."

Audiotapes released Wednesday document the episode eight months before she and a friend, Ronald Goldman, were

killed. Mr. Simpson has pleaded not guilty to murder. On Oct. 25, 1993, Mrs. Simpson placed two frantic calls to

the 911 emergency number. The dispatcher sent officers to the scene. Mrs. Simpson hung up but called back less than a minute later to say her former husband had returned and had "broke the back door

down to get in." She cried and pleaded for police to come. The dispatcher said police had been notified, tried to calm her and asked her to stay on the line. "I don't want to stay on the line," Mrs. Simpson replied.
"He's going to beat the s-out of me." But she did continue

talking, saying she was worried about her children, who were "He's ... going nuts," she sobbed later, and told the dispatcher that similar confrontations had occurred "many times." During the call, Mr. Simpson could be heard swearing and yelling in the background.

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## EU Leaders, on Corfu, Set Sights Low

By Tom Buerkle
International Herald Tribune

CORFU, Greece — As Europe's leaders descended Thursday on this sun-baked island, the mood, like the dress of the tourists, was distinctly minimalist. Despite the challenges of record-high unemployment and dangerous instabil-

ity to the East, the will for action is weak. Prime ministers such as John Major of Britain and Felipe González of Spain are

#### **NEWS ANALYSIS**

in political trouble at home: Germany and France are preoccupied with coming elections; and Greece, the host country, is at diplomatic war with its European Union partners over its blockade of the

former Yugoslav republic of Macedonia.
The timidity of leaders has been reinforced by public disenchantment with European integration, which fueled big gains by anti-Union rightist parties in the recent elections for the European Parliament.

EU leaders are so wary of the Euroskepticism that the selection of a new European Commission president, the main topic of the meeting, has degenerated into a personal battle between the two leading candidates and their supporters, with virtually no discussion of their vision for the Union's future. "We are in a period where people are still living under the shock of the Maastricht treaty," an EU diplomat said. Rejection of that 1992 accord by Danish voices sei off a debate between EU integrationists and nationalists that remains

"We are still in a transitional period."

On Europe's most pressing issue, johs. the Commission president. Jacques Delors, warned EU leaders carlier this week to keep up the attack on structural barriers to employment instead of drawing comfort from the "allure of economic

But in the current anti-EU climate, the leaders' discussion of Mr. Delors' white paper on jobs and competitiveness was expected to be little more than a review of what member governments are doing to reduce payroll taxes, remove rigid labor rules and improve training.

And conceding to strong opposition from national governments, Mr. Delors indicated he would drop his campaign for EU borrowings to finance cross-bor-der road and rail networks.

The meeting will be judged by whether the leaders can agree on a candidate to replace Mr. Delors as head of the EU executive agency. Failure to do so at a working dinner Friday evening would be an embarrassing sign that the Union was not capable of reaching a decision on such a crucial issue," said Prime Minister Andreas Papandreou of Greece.

Prime Minister Jean-Luc Dehaene of Belgium seemed to have the post locked up after Christian Democrat leaders agreed in Brussels on Wednesday that the candidate with majority support sbould win.

With as many as eight EU states, including France and Germany, behind Mr. Dehaene, that was a polite way of suggesting that Ruud Lubbers, the Duich prime minister, should step aside. But Mr. Lubbers gave no hint of withdrawing quickly, raising the prospect that Chancellor Helmut Kohl might have to call another summit meeting in early July when Germany takes up the rotating EU presidency.

Given the problems at home, EU leaders will be only too happy to turn their attention abroad.

The accord will lift most EU quotas on Russian exports, provide for mutual investment guarantees and bold out of the prospect of a free-trade agreement The real test for the leaders, though

will be whether they can agree on a strategy for aiding economic reform in Ukraine and shutting that country's remaining nuclear reactors at Chernohyl. EU leaders also will sign membership

treaties with the leaders of Austria, Finland, Sweden and Norway, who will get a seat at the summit table for the first time.



The Norwegian leader Gro Harlem Brundtland with Mr. Delors on Corfu. Membership treaties with Norway, Austria, Finland and Sweden are to be signed on Friday.

## Hong Kong KOREA: China Hails North Korea-U.S. Move to Talk in Dispute

North had a nuclear bomb or was developing one. He reiterated Beijing's desire for a nuclear-free peninsula.

Both South Korea and Japan welcomed the news that talks with North Korea would be starting again, but there was some concern about how cooperative Pyongyang will actually turn out to be.

In a telephone conversation with President Clinton, President Kim Young Sam of South Korea expressed cautious optimism about the situation in the North, the South Korea government said.

Mr. Kim said North Korea's reported willingness to freeze its nuclear develop-ment pending talks with the U.S. is a hopeful sign. Meanwhile, he said, the ap-parent movement toward a North-South summit meeting this summer is another positive development,

Mr. Kim and his North Korean counter-

Nice Guy include Mr. Mande-

minister tried to suppress publi-

cation of documents exposing

dirty tricks in the military: his

seeming waffling over amnes-

ment; his reluctance to purge

police officers accused of atroc-

ities; his support for expanding

stantial raises for the new gov-

ernment.

ties for many crimes committed

part, Kim Il Sung, would be the first since the Korean Peninsula was divided at the dawn of the Cold War. .

The session was brokered by former President Jimmy Carter ouring a trip to the two Koreas last week.

South Korea's government had originally been skeptical that a summit meeting would actually take place. But now the North Korean leader has suggested a specific time and place - he proposes a meeting in Pyongyang on Aug. 15, Korea's independence day — hopes are rising in Seoul that the prospects are stronger.

Kim Young Sam told Mr. Clinton during the telephone call that another hopeful sign is North Korea's quick agreement to take place in a staff-level meeting scheduled for June 28 to plan the summit.

Officials in Japan and South Korea were both eager to learn whether North Korea's agreement with Mr. Clinton means that Pyongyang will permit international in-spection of the waste sites at its nuclear

facilities in Yongbyong, north of Pyong-

yang. Mr. Clinton made no such claim when he announced what he described as a "pos-itive development."

North Korea has refused to allow such inspection, which would help determine how much plutonium it has stored so far. During a news conference Thursday, For-eign Minister Han Sung Joo of South Korea said he would assume that the new agreement with Mr. Clinton "includes North Korea's compliance in explaining its past nuclear activities," according to the onhap News Agency in Seoul.

Tokyo also welcomed the news, but with

some reservations.

Responding to questions Thursday in Parliament, Foreign Minister Koji Ka-kizawa said both the agreement for talks with the U.S. and the plans for a North-South summit meeting were positive signs. But he said Japan's goal remained seeing. North Korea return to "full compliance" with nonproliferation.

## Mandela to Aid

CAPE TOWN - President Nelson Mandela agreed Thursday to a United Nations request to help end nearly two decades of civil war in Angola, initially by meeting the UNITA rebel leader, Jonas Savimbi,

. He said after talks with the UN mediator, Alioune Blondin Beye, in Cape. fown that he wanted to join rather than take over existing Angolan peace ini-

# Seeking To Stay On, Hata Offers To Resign

By T. R. Reid

Weekington Pros Service TOKYO — Prime Minister Tsutomu Hata offered Thursday to quit his job in order to

Mr. Hata called apress conference and hinted that, to induce the Socialist Party to join his governing coalition, he would disband his cabinet and resign from office.
In return, the Socialists

would be expected to help him form a new cabinet that would presumably be stronger than the minority government that Mr. Hata now presides over.
If that ploy doesn't work. Mr. Hata's government could be

feiled by a no-confidence vote in the Diet, or Parliament. The Liberal Democratic Party, the largest opposition group, for-mally submitted a no-confidence motion, although it may never come to a vote.

The Socialists are in a posi-

tion to demand obeisance from Mr. Hatz because they hold the balance of power right now in Japan's fractured political world. Mr. Hata met Thursday with the Socialist Party head, Tomiichi Murayama, with no conclusive result. More negotiations were expected on Friday.

In the aftermath of the his-tonic election last July that ended four decades of conservative one-party rule, this nation has faced unusual political confusion as it adjusts to the new era of multiparty democracy.

Mr. Hata currently heads a

centrist coalition government comprising six parties. But the coalition does not have enough votes to control the Diet.

After Mr. Hata formed his

coalition government in April, the chief opposition parties agreed to let him hold office until he could win approval of the national budget for the cur-rent year. The budget finally passed the upper house of the Diet on Thursday. With that, Mr. Hata and his cabinet became fair game for the opposi-

But exactly how things would turn out was anybody's guess Thursday night.

But Mr. Hata's coalition does not have enough votes on its own to be sure of defeating a no-confidence bill. He needs

help from other parties, and the Socialists look like his best bet.

The Socialists were part of the coalition government that took control in Japan last summer under the leadership of former Prime Minister Morihiro Hoselans But when Mr. Ho. Hosokawa. But when Mr. Hosokawa resigned in April and Mr. Hata emerged as the new coalition leader, the Socialists walked out of the coalition.

They were angry because centrist members of the coalition had formed a new centrist party. This party had more Die! members than the Socialists. thus denying the Social Democratic Party its cherished rank as the biggest party in the coali-

#### Nigeria Seizes Fugitive Who Claims Presidency Compiled by Our Staff From Dispatches the political crisis created by the annulment of the June 12.

LAGOS - Nigerian police arrested the country's most important opposition leader, Moshood K. O. Abiola, on Thursday after he defied the military

Mr. Ahiola, who unofficially won an annulled presidential poll last year, was arrested at his home in Lagos after ad-dressing a rally. He was taken to the federal capital, Abuja, his

Hundreds of youths chanting anti-government slogans and calling for the immediate re-lease of Mr. Abiola held a peaceful march late Thursday through the commercial center of Lagos. They carried placards reading "Release Ahiola our president now," and "Away with the military regime."

The police did not try to stop the march.
The U.S. Embassy said the arrest raised "very serious questions with respect to the Nigerian government's commitment

1993, presidential election.

Mr. Abiola had pledged to a rally of about 2,000 people Wednesday that he would form a government. It was his first public appearance since giving police the slip and declaring himself president and commander in chief of the armed

forces on June 11. Mr. Abiola also vowed at the time to submit a cabinet list to the dissolved Senate for ap-

proval "within 30 days."
Other opposition leaders arrested during a month of growing resistance to General Sani Ahacha's government have been detained in Lagos and charged with treason.

The election was seen as free and fair by international observers, but annulled by the junta leader at the time, Ihrahim

## to restoring unhindered, civil-ian democracy and resolving

up by armored vehicles, transplanes and fighters and he-

licopters. Another French contingent will be hased in Zaire at Goma town for excursions across the border into Rwanda, and French aircraft will be based at Kisangani, in northeastern

In Zaire, the buildup continued throughout the day, with troops arriving from French hases in the Central African Republic, Gabon, and from Paris.

The intervention force is expected to reach a peak of about 2,500 troops. France has said it will eventually turn over the op-

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**RWANDA:** French Cross Border eration to a largely African force sent by the United Nations, which is still being assem-

But the Tutsi-led rebel movement, the Rwandan Patriotic Front, has questioned French motives, believing that Paris is too closely linked with the Hutu extremists, who comprise

Rwanda's rump government. Various Patriotic Front leaders, fearing that the French intervenuon may rob the rebels of a near-certain victory in the civil war, have warned that they will attack any French troops they encounter inside the coun-

"We have no doubt whatsoever that their intentions are far from humanitarian," said Theogene Rudasingwa, quoted hy news agencies in Paris on Thursday. "We have general instructions to deal with the aggressor hy any means possible, anytime there is actual con-

Among other complaints, the rebels accuse France of having sent troops to Rwanda clandesthwart a military invasion hy the guerrillas. who entered Rwanda from Uganda.

The French plan to intervene won approval on Wednesday hy a divided and deeply troubled UN Security Council wor-ried about sparking a wider conflict in central Africa and still embittered by the painful memories of the last such Westem-led humanitarian military

incursion in Somalia. Initial humanitarian goals in Somalia soon became distorted as UN and American troops got entangled in Mogadishu's civil war, targeting a Somali warlord

as an enemy. French officials have said they have no intention of intervening in Rwanda's civil war.

"We want to engage ourselves as little as possible in Rwandan territory and in no way do we want to take a role in the conflict," Defense Minister François Leotard said in a French television interview

Wednesday night. ■ U.S. Matériel Arrives

The first of 47 U.S. armored personnel carriers leased to bolster a small UN force in Rwanda arrived in Uganda on Thursday on an airlift from Germany, Reuters reported from Entehbe.

A U.S. C-141 Startifter transport plane carrying the first two heavy vehicles landed at Entebbe airport, 32 kilometers southwest of Kampala, from Frankfurt and was met hy Ugandan and U.S. officers.

## SnagEased, **British Say**

HONG KONG -Britain reported Thursday that it was on the threshold of an agreement with China about the future of disputed military territories in Hong Kong, but the Chinese side warned it wanted more

The fate of several valuable British military sites scattered around Hong Kong has been up in the air for seven years. China wants them for its armed forces after the 1997 turnover of the

Britain favors transferring the hulk of the military lands to civilian use, which could go a long way to easing a severe land shortage.

Prospects for an agreement Babangida. He stepped August in favor of an unelected civilian administration, which General Abacha overthrew three months later.

(AFP, Reuters)

"I think the conditions are against the liberation moveright for an overall agreement on Monday, but that of course sides." Alan Paul, the chief South African arms exports, new government had suc- and speech writers, and the depends on the efforts of both said after meeting Chen Zuoer.

the Chinese negotiator. "I don't think the gap is very big." he added. "It's certainly a lot smaller that what it was some time ago."

Mr. Chen was more cautious, bowever, repeating Beijing's view that Britain is the one stalling progress. "We still have work to do," he said as he pushed through reporters.

The newspaper Eastern Express said that "in a final act of brinksmanship." Britain had told China an agreement must come by early July if all military

sites are to be ready by 1997. There is pressure to resolve the issue before the summer re-cess of the Legislative Council, starting in mid-July.

Legislators are set to adopt the final stage of Governor Chris Patten's democratic reform proposals, which until retinely in 1990, to help Mr. Ha- cently had cast a shadow over byarimana's government cooperation on the turnover.

#### Queen's Yacht, The Britannia, To Be Retired

LONDON — Queen Elizabeth's personal liner. the royal yacht Britannia, will be taken out of service in 1997, Defense Secretary Malcolm Rifkind told Parliament on Thursday.

He said the queen would be consulted on another use for the vessel, but that it would no longer go to sea. The government will consider whether the ship should be replaced. Launched in 1953, it costs about £8.5 million (\$12 million; a year to run. It was designed to be a hospital ship in wartime, but never served in that capacity.

The Britannia is used mainly as the queen's home on many overseas tours. Earlier this month, it ferried world leaders, including the queen, President Bill Clinton and Prime Minister John Major, from Britain to France for ceremonies marking the 50th anniversary of the D-Day landings in Normandy.

The planned summit meeting between

NICE: Some Now See Mandela as Too Accommodating After an election campaign in opinion widely echoed in the

streets.

As president, Mr. Mandela is

both very visible and easy to

ignore. He appears frequently in

public, receiving foreign visi-

tors, presiding over ceremonies,

addressing conventions, but his

public remarks are usually

bland and general. Since the

agenda or dispelling minor em-

He seems eager to dampen the expectations that awaited

his new government, here and

which the white government complaints of too much Mr. was mercilessly attacked as fat la's silence when his defense cats, the new members of Parliament accepted raises to \$55,000 a year — inconceivable wealth to most black South Africans -- and many complained it was still not enough to make ends meet.

The Congress of South African Trade Unions, Mr. Mande- election campaign, he has rela's closest union ally, said the placed his staff of spokesmen sub- cumbed to "the gravy train newcomers bave yet to show mentality which had permeated any flare for setting a public apartheid parliaments," an

## CIA: African Cutbacks Questioned

Continued from Page 1

presence in more than a dozen African countries. Another would be to cut off ongoing relationships with local intelli-

Another retired former CIA official said he was appalled at the decision. The move "will be seen by the locals" as "part of the withdrawal of this country from the world scene," he warned. This official, a friend and admirer of Mr. Woolsey, said that while it was not inexpensive to keep CIA operational people overseas, "relatively gence community and the CIA.

Speaking it is small potatoes to The Senate Select Community. have kept them there."

After a recent congressional briefing on the proposal, sever-al legislators suggested "keep-ing a couple of the posts open." according to one participant. The lawmakers pointed out that there was no CIA presence in Somalia in 1992, when the decision was made to send U.S. troops to that country. The CIA believed the covert operations body there, and they had to send someone hack who had left two years earlier," a congressional source said.

"At least keep one person "There's a certain mind-set there in some countries was the with them," he said, "If it's not message given that day," the stolen, it's not worth having," source said, adding that Con- This source suggested that cogress had fully funded last vert operations at large CIA year's budget for covert human stations, such as Bonn, could be intelligence operations and reduced and the money used in would do so again this year.

At the State Department re-

action is mixed. "It could reduce political coverage in that area," a State Department official said regence and police organizations, cently. He explained that alaccording to a top retire. CIA though the department privateofficial with covert experience ly has been critical of the CIA's post-Cold War activities in some countries, the departure of the agency from a few of these African countries would put pressure on U.S. diplomats there, who already are short-

handed because of budget cuts. Several sources said the CIA's proposed African cut-back reflects some broader battles taking place in the intelli-

The Senate Select Committee on Intelligence has had a run-ning battle with Mr. Woolsey over spending on expensive intelligence satellites. The Africa plan is a sign that "Woolsey is listening to the technical people and not his own operational personnel," a specialist within the committee said. A former CIA official said he

people themselves wanted to

ahroad. At a meeting in Tunis this month, other African leaders tried to enlist him as an intermediary or peacekeeper in

crises like Rwanda's. Mr. Mandela told them he had too many problems at bome to come to the rescue of neighbors. Behind the scenes, his incomparable skill as a politician is applied to quelling potential division - for example, stifling the anger of his supporters in the Zulu province, who felt they were robbed by election fraud, and calming the resentment of tribal leaders who felt they were getting less attention than white

separatists. His state-of-the-nation speech a month ago laid out a modest first installment on social programs while dwelling on growth-oriented economic policies that could have been, and in part were, written by his pre-decessor, F.W. de Klerk, who now serves as second vice presi-

The direction was confirmed Wednesday when Mr. Mandela's first budget was unveiled. a hold-the-line budget that extracted no new taxes except a one-time 5 percent income tax to pay for the more than \$1 billion in bills left over from the election and inauguration.

The next phase in the negotiated revolution, elections to replace white city councils with new, democratic municipal governments, has been postponed from October to April or May of next year because of white resistance, to the dismay of many local black leaders.

## **UN on Angola**

for the first time.

tiatives. Mr. Mandela said be

would telephone or send an envoy to see the Angolan president, José Eduardo dos Santos, in Luanda and would invite Mr. Savimbi to a meeting.

## LOBBY: Deregulation on Agenda

conflict as Japan's economy. matures and comes under greater pressure to open wider to imports. Deregulation has become Keidanren's chief objective. Few doubt its value in reinvigorating Japan's economy with fresh competition and husiness opportunities. Yet while good for the whole, deregulation inevitably comes at the expense of individual companies, making agreement on spe-

cities difficult. "Even if deregulation proves Japan's biggest automaker. Un-painful to certain sectors of in-dustry, it will benefit the entire sure. Japan's auto industry will society, so we must overcome until recently forced into "verthese pains." be said. "Nobody untary" restraints on exports. in industry should consider themselves the only victim."

Mr. Toyoda has called on the Toyota not to flood the Arr government to eliminate half of can market without wolun.

Japan's economic regulations, export restraints." he c. which number more than plained. "The Japanese gove 10,000, within five years. Keiment hasn't followed through dangen has specifically asked on many of its promises." for the lifting or relaxation of regulations on 196 items in seven sectors, including those affecting the opening of large retail outlets, import procedures and agricultural supports,

Continued from Page 1

ought to be channeled, and deregulation," he said in a recent speech. "Regulation provides the basis for excessive influence of policies." bureaucracy on the private sector. That influence is partly responsible for the inscrutable administrative guidance and incomprehensible practices that receive so much criticism from abroad.

In part, Mr. Toyoda's critical views of government interven-tion, and his pleas for politicians to act more responsibly to restore Japan's international trustworthiness, stem from direct experience at the helm of Japan's biggest automaker. Unthe United States;

The government didn't to

#### Russia and U.S. Sign Oil Accord

New York Times Service WASHINGTON -

President Al Gore and Minister Viktor S. Cherne din of Russia signed a seagreements Thursday pr for massive oil explora-U.S. companies and al.

cration on a space static The accords were th focus during three days between U.S. officials Russian leader, whose power is second only to President Boris N. Yei

In a \$10 billion end Russia gave permissis consortium, led by 15 Oil, to develop oil and serves in the Sakhalin

## POISON: U.S. Says Russians Hide Development of Chemical Weapons

Continued from Page 1 weapons but had also produced an espe-

cially potent type.

Mr. Mirzayanov also said that the Russian military and civilian officials who invented the binary weapons planned to cite a technicality in the global agreement banning poison gas to keep working on them. Mr. Mirzavanov was jailed in 1992 and

Russian authorities have since dismissed the case against him. Some administration officials are skeptical about some of Mr. Mirzayanov's more alarming claims, but U.S. officials believe his statements that Russia has

1993. Washington protested his arrest, and

sought to develop binary weapons are provide a full accounting of the binary program as a result of Mr. Mirzayanov's In any event, administration officials

mation say there is an important gap in the data - there is nothing in it about hinary "Our preliminary assessment is that the Russians have not disclosed information about what we believe to be a binary chem-

ical weapons program," an administration Some officials say the failure to provide the information could be an oversight or the result of bureaucratic confusion. But

assertions, the weight of opinion among administration experts is that Russia is who are reviewing the new Russian inforwell aware of U.S. concerns and is concealing data about the program.

One official said Washington planned to go back to the Russians and insist on a

clarification of the matter. The exchange of data, which is the focus of the dispute, was called for by a under-

standing on chemical weapons that the United States and Russia reached in 1989. The agreement on sharing the data is not part of the global treaty banning chemical since Washington has asked Mescow to

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lat provides at work Mr. Swell werr confi fe ply is the post feare we Diet of Parliament To Democratic Party, like opposition group, for metern, although it may iome to a vote." Socialists are in a posdemand obeisance from ath because they hold the e of power night now in Mr Hate mei Thursday he Scenation Party head in Murayana with to five result. More negotiarere expected on Finday

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Oil Accord TO STATE OF THE ST



By T. R. Reid

\*\*Comparison of the Manual Transport of

back is plastered with no fewer than 18 stickers proclaiming Mr. Ben-Said's total opposition to government peace policies.
The Land of Israel Is in Danger!" one says. "Don't Betray It!" says another. "Nightmare Peace!" "The People Are With the Golan!" "Hebron, Once and Forever!" "You Voted for Rabin, and We Got Ara-And so on. The Torah says that if I remain quiet, then it means I agree with what is being done,"

By Clyde Haberman

get. For sure, his car is. On its front and rear win-

sides, the French-made hatch-

said Mr. Ben-Said, who lives in the West Bank settlement of Kiryat Arba, a far-right bastion outside Hebron. "So I must voice my opposi-tion," he said. "One way is to

put on stickers, so that every-

where f go people know what I'm saying. Do they ever. Moreover, the long-bearded settler is far from alone in the battle for Israeli hearts and minds that is being fought relentlessly with visual images and pithy slogans along the country's highways.

As always, Israelis argue politics at the dinner table, in

#### Israelis Will Ban Arms in Opening Hebron Mosque

The Associated Press

JERUSALEM - Jews will not be allowed to carry weapons into the Hebron mosque where 30 Muslim worshipers were killed when the holy site reopens next month, a government official said.

Until the Feb. 25 massacre. Jewish settlers were permitted to carry weapons into the Tomb of the Patriarchs, holy to both Muslims and Jews. But when the tomb reopens, Jews will not be allowed to enter with weapons, and the two groups will pray at different times to avoid friction, the Israeli official said. Palestinians living under the Israeli occupation, which continues in Hebron, have never been allowed to carry weapons.

The army also plans to deploy more guards, install metal detectors and refurbish the closed-circuit TV system inside the prayer halls, the official

The commission set up to investigate the massacre will recommend similar security measures when it publishes its findings Sunday, the daily Ma'ariv newspaper reported

In Israel, a Bumper-Sticker Debate and radio. But growing prosperity has the country awash in

New York Times Sernce

JERUSALEM — On the Israeli right, which emphatically says no to giving up land to the Arabs, Gilon Ben-Said is about as politically correct as one can One result is that politics has hit the road, with autos turned into billboards of opinion, especially on Israel's peace talks with Syria and the Palestinians.

dows, on its bumpers, on its It is not that bumper stickers were unknown. But no one can recall when they were used so ferociously to make a case for or against government policies.

> By some knowledgeable esti-mates, well over 3 million stickers have been distributed. That is about two for every three Israelis, and the numbers keep

In and around Jerusalem, a stronghold of the religious and political right, it is almost impossible to turn around without seeing a car bearing a warning that the nation is on the road to perdition thanks to Prime Minister Yitzhak Rabin & Co.

Leftists who favor giving up

land for peace with the Arabs have stickers of their own. "There Is a Mandate for Peace," says a popular one. Another has the word "peace" set against a backdrop of fluffy

But the left is overwhelmed in the bumper crop. Some say it is because their stickers are of-ten torn off and their cars sometimes vandalized by rightist hooligans, an accusation rejected by rightist leaders.

Maya Raz of Jerusalem says the rear window of her auto was sprayed with black paint to cover a "peace" message. She scraped the window clean, then put up three new stickers.

No leftist, however, has re-motely matched the 31 rightist stickers spotted the other day on a single car, or even the nine on Meshulam Ben-Meir's station wagon. There is nothing medium about his message. It is anti-Rabin in as loud a voice as

"People have a right to see the other side, and the only way to do that is to make yourself visible," said Mr. Ben-Meir, who immigrated from Brooklyn 10 years ago and lives in Ofra, a settlement north of Jerusalem.

But is it necessary to splash so many stickers across a single car, often in positions that obscure the driver's view through the rear window? Yes, says Tze-mach Hirschfeld, who when last seen had 11.

"Each one has a different audience," he explained. "They each have different appeals — political, religious, historical and security.'

No one contends that bumper stickers change minds. But they are good morale boosters, people in the anti-government camp say. They are certain that their campaign helps create a general atmosphere that Mr. Rabin is in trouble while reinforcing their own conviction that they are not a minority, as the hated government and the even-more-hated press say.



GOING HOME — One of 22 Egyptian fundamentalists, who recanted their religious and political beliefs, leaving a Cairo prison Thursday. The authorities released the repentant militants, who had been jailed for belonging to extremist organizations.

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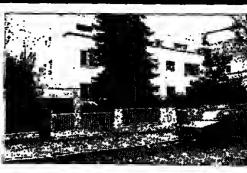
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Herald Eribune

## The Dollar's Problem

At first glance it is a paradox. The outlook for the American economy is as good as it has been in decades, as the chairman of the Federal Reserve Board, Alan Greenspan, reassured Congress on Wednesday, but the exchange rate of the dollar is falling. Here is a clue to the explanation: the latest lurch downward was on Tuesday, the same day the government announced that the trade deficit was getting worse. The United States is not only running a gigantic trade deficit, but that deficit is growing bigger. There is likely to be a succession of unwelcome monthly figures on an upward trend, repeatedly reminding currency traders that

the strain is increasing.

The United States is now in peril of being caught in the same stop-go trap as Britain in the 1960s. Whenever the British economy began to grow strongly in those years, it sucked in imports. That widened the trade deficit, and the strain on the currency soon lorced the government to put on the brakes and end the recovery. The country went through three of those cycles before finally giving up and devaluing the pound (which set off a surge of inflation). The American economy is immensely stronger than Britain's three decades ago, but the mechanism is the same. A widening trade deficit tugs at the currency, and to protect it the government is confronted with the necessity of

slowing down economic growth. The British experience also shows, incidentally, that the alternative, devaluing the currency, is not much of a solution.

The question is why economic growth sets off such a disproportionate increase in the trade deficit. That is a sign of serious weakness. If all goes well, the American economy will expand this year by something over 3 percent. As a result. the trade deficit seems likely to rise nearly by half. At least part of the answer is that the domestic economy is now run-ning pretty close to full capacity and cannot respond quickly to new orders. That is the result of a decade of low savings and under-investment. The big trade deficits began in the early 1980s, caused by the great Reagan tax cut of 1981. It was supposed to encourage more saving, but in fact it did just the opposite. Savings fell, and consumption, public and private, shot upward. Ever since then, the United States has depended on foreigners to finance its trade deficit.

The nature of the dollar's trouble is neither technical nor esoteric. Americans continue to consume more than they produce, and they are borrowing heavily from the rest of the world to cover the difference. The foreign lenders have evidently begun to hesitate. That is why the

- THE WASHINGTON POST.

## 'Stability' at a High Price

The glow cast on Saudi Arabia by the splendid World Cup performance of its soccer team is, unfortunately, not reflected in its human rights record. The State Department has noted "pervasive" abuses. The advocacy groups have struggled against the Saudis feudal secrecy to report on practices that include, Amnesty International says, "routine" use of tor-ture against political and religious prisoners. No major country with such a bad record has received less international criticism for it. The contrast with the outpouring of attenuon to China's no less

The Saudi leadership presents itself as vital to the United States for its oil, for its huge purchases of civilian as well as military goods and for its solicitude for American regional security interests. The regime runs a repressive one-family state, but it does so with shrewd use of its affluence, with some discretion and with gestures to collective consultation. As a result, it enjoys a reputation for modera-tion and stability — conditions, Saudis are quick to remind, in short supply in the Middle East. Then, too, some of the relatively few dissidents and reformers who do pop up in the country or in exile come from the Islamic fundamentalist flank, not from the modernizing West-

leaning professional-technocratic class that Americans generally favor.

No more than its predecessors does the Clinton administration want to bring on a rights showdown with Saudi Arabia. But a Saudi diplomat's recent application for political asylum could force the issue. According to press reports, 31-year-old Mohammed Khilewi claims to have 14,000 documents detailing alleged Saudi government sponsorship of international terrorism, wiretapping of U.S. citizens and other deeds. The charge of support for radical Islamic terrorism, if proven, could raise the question of whether Saudi Arabia should be put on Washington's blacklist of official state sponsors of terrorism. The diplomat's application for asylum, if granted, could identify Saudi Arabia in official American eyes as a state practicing political persecution.

These difficulties are not likely to bloom all at once, but Americans should be on notice. Sooner or later, tightly run reform-resistant regimes come apart. Harsh consequences can then overtake the nations that have become identified too closely with the old order. Saudi "sta-bility" cannot be taken for granted. For its own reasons, the United States ought to be constantly urging the Saudi elite to

for Peace - is a real step on the - THE WASHINGTON POST.

## Fighting a World War Against International Crime

PARIS - Nostalgic Cold Warriors can perk up. There is a serious new threat to international security and democratic governments that requires urgent countermeasures. It isn't about tanks and missiles, but it is insidious and subversive on a scale that only mobilization of a grand alliance can adequately confront.

It is organized crime, old and new mafias of various sorts that are forming

The gangs know how to organize without concern for national sovereignty. Countries must learn to do the same, or they will lose this dirty war.

networks beyond the reach of national

police. They are as disdainful of borders as the new global stock markets and; specularive flows of finance. The scope and the amount of money involved is on the way to becoming as dangerous a menace to a free and orderly world as

totalitarian ideology used to be. What differs from the ancient history of gangsterism is size and the development of international links. The momentum comes primarily from Russia, but the By Flora Lewis

tentacles are reaching out in all directions. In an article in Foreign Affairs, Ste-phan Handelman cited Russian Interior Ministry estimates that organized crime controlled 40 percent of the total turnover of goods and services in the country last year. The criminal groups transferred \$25 billion from the Commonwealth of Independent States to accounts in Western banks, a sum that not only dwarfs Western aid and investment but takes an

enormous chunk out of export earnings. The danger that crime poses to Russian economic development and political stability - 47 percent listed it as the most urgent problem, in a poll shortly after last December's elections — is necessarily a concern to the rest of the world. But beyond that looms the possibility of a direct challenge to business and gov-ernment everywhere as local groups plug into the lucrative support system.

Already gangs in booming southern China have established ties with inter-national groups based in Hong Kong. The Chinese triads have a history of expertise, wiliness and unscrupulousness that forebodes a monster beyond any control if they achieve alliances with Western and Russian organizations. And, of course, organized crime means

corruption. The enormous amounts of money at its disposal erode the chances of maintaining a legal system. The situa-tion cries out for deterrence before weak internatioal defenses are overwhelmed.

The first necessary step is to acknowledge the reality and gravity of the on-slaught. Interpol and the FBI have begun efforts to work with the Russians, but this is marginal, far from adequate. President Boris Yeltsin has shocked the Russian Federal Assembly with a decree extending police powers clearly far beyond constitutional guarantees, in itself omi-nous for the fragile Russian democracy. Already, though, this is a matter for

concerted international action. It is too serious to leave to the police alone, themselves obvious targets for corruption. Ci-vilian control needs to be at both a higher and a broader level if abusive use of police power, particularly in former toalitarian states, is not to be encouraged.

The strategic points are banks and the trading structures of certain commodities. There are no existing legal international organization or methods of monitoring transfers of hot money and stolen goods. An attempt has been made with narcotraffic, but it is paltry, and the new, varied

traffic is becoming many times larger.

Creating a supervisory system will encounter sharp resistance. It means impinging on traditions of banking and

commercial secrecy that are deeply 100ied. But the new threat should provoke new attitudes. This is not just somebody else's problem, it is in the interest of all who rely on legality. Perhaps it is the most important form of help that the West can provide to helper democracy. West can provide to bolster democracy.

Tracking large-scale money transfers so as to expose money laundering should become an international duty of governments. Similar records for large shipments of certain commodities are need-ed. False or kited invoices are one of the casiest and most widely used techniques

of crime and corruption.

The port of Amsterdam was nearly drowned in aluminum a couple of years ago, "smuggled" from Russia to cheat the control of the couple of the cou the state. Estonia, which does not operate a single metal plant, was used to transit so much stolen metal from Russian defense factorist that it is to make a single metal from Russian defense factorist that it is to make a single metal from Russian defense factorist that it is to make a single metal from Russian defense factorist that it is to make a single metal from Russian defense factorist that it is to make the single metal from Russian defense factorist that it is to make the single metal from Russian defense as the s fense factories that it appeared as one of the world's largest metal exporters in 1992, an estimated \$500,000 worth a day.

Defense against the threat will take more than agreements to exchange information. There needs to be a coordinating center keeping records to be made available to national police, customs and tax officials. The gangs know how to organize without concern for national sovereignty. Countries must learn to do the same, or they will lose this dirty war.

O Flora Lewis.

systemic abuses is stark and anachronistic.
The reasons for the contrast are clear.

broaden and soften its rule.

MOSCOW — On Wednesday.
Russia signed the Partnership for Peace plan at NATO's headquarters in Brussels as a step toward closer cooperation with Europe and the United States. Yet there is little agreement here in Moscow as to whether Russia really needs this program, and what it will gain.
The Cold War ended with the dissolution of the Warsaw Pact

and the breakup of the Soviet Union. The U.S.S.R. agreed to the unification of Germany, renounced the Brezhnev Doctrine
-which asserted Moscow's right to intervene in the internal affairs of Soviet bloc nations if Commu-nist rule were threatened — and left Eastern Europe.
In turn, it received assurances

from America and its allies that they did not intend to take advantage of the situation and fill the resulting vacuum, tipping the geopolitical balance in their favor. Clearly Russia has reasons to oppose NATO's expansion to its borders. The United States, through the alliance, intends to preserve and consolidate its military and political leadership in Europe. The expansion of NATO initially through the Partnership

BRUSSELS - Partnership for Peace, launched at the

NATO summit meeting in Janu-

ary, is an ambitious initiative in-

tended to enhance stability and

North Atlantic Cooperation

Council, as well as other CSCE

countries able and willing to con-

tribute to this program, have been

invited to join. The invitation has met an enthusiastic response. By

the beginning of June, 20 countries had subscribed to the Part-

nership, mostly former East bloc

nations but also including Fm-

land and Sweden. Russia signed

on Wednesday, and others have

Partnership for Peace will

deepen and intensify the politi-

indicated their intention to join.

All states participating in the

security in the whole of Europe.

#### By Andranik Migranyan

The writer is a member of Boris Yeltsin's Presidential Council.

way to filling the power vacuum. with the ultimate goal of restraining and disciplining Russia itself.
The Romanians, Estonians,
Poles, Slovaks and Czechs have
already mobbed the doors to
NATO. The Ukrainians, Latvians and Lithuanians are falling over themselves to get in. It is amusing to contemplate how Russia, which is still a military

superpower, would look in such a crowd, where everyone is crying about the threat from Russia and wants to lean on NATO's mighty shoulder in search of a guarantee of territorial integrity and security.

Partnership for Peace: No, Russia Is Too Big for This Exercise

Those who say we would have doomed ourselves to political isolation by not joining the Partner-ship for Peace and eventually,



By Gebhardt von Moltke

The writer is NATO assistant secretary-general for political affairs.

How the Partnership Works and Where It's Designed to Lead

Cooperation in Europe. Over time,

Partnership activities will develop

forces that are better able to oper-

ate with those of the NATO allies.

Partnership for Peace builds on years of dialogue and cooperation under the North Atlantic Cooper-

ation Council. But it will go fur-ther, allowing each partner to de-velop an individual cooperation

program with NATO and thus to

forge closer relations with the alli-

ance. Each partner will be able to

determine the pace and content

A country joins the Partnership

by signing a standard framework document at NATO and thereby

of its cooperation with NATO.

ourselves by agreeing to participate, since NATO controls who becomes a full member and when. Russia faces numerous prob-lems, both abroad and with oth-

er newly independent former Soviet republics. It cannot afford to be constrained when its own interests do not coincide with NATO's or with those of the Partnership for Peace.

The agreement signed on Wednesday poses several key problems for Russia: The current proposal does not stipulate any sort of framework for the transition to membership in NATO. A country

such as Russia cannot be left out: in the hallway while important decisions are made on issues critical to its security.

• Whether or not its authors intended it, the proposal includes an attempt to block the former Soviet republics ability to consolidate militarily and politically.

· The Central European countries and former Soviet republics, in joining the Partnership for Peace and eventually NATO, will push Russia out of their markets as an arms suppli-er, dealing a serious blow to

created for very specific tasks into a universal instrument for resolving and regulating conflicts throughout Eurasia.

In addition, as a member of NATO Description and learners would become the

NATO, Russia would become the alliance's outpost on its borders". with the Islamic world and China. It is hard to imagine that Ameri-can soldiers would defend this border as they once defended the one dividing East and West Germany. So Russia's hands would be bound and its freedom to ma-

neuver limited. Without having a full voice in NATO, Russia can hardly influence the organization's decisions. It might have been better to concentrate on perfecting the mechanisms of the Conference on Security and Cooperation in Europe, which was set up in 1975 to guarantee peace and order on the Con-tinent, and to which Russia and NATO members already belong.

Mr. Migranyan is a professor of political science at the Moscow State Institute of International Relations. This comment was trans-lated from the Russian by Hugh K. Truslow for The New York Times. "

## Retiring Haiti's Junta

mote a cushy Riviera or Spanish retirement for the three most notorious leaders of Haiti's military regime, and it is freezing all Haitian assets held in U.S. banks to spur them into getting on with the job. Raoul Cedras, the junta leader. Philippe Biamby, the army chief, and Joseph Mi-chel François, the police commander. overthrew an elected government, let political murders go unpunished, terrorized the civilian population and defied international agreements. Washington hopes to bribe them into exile with bundles of cash and promises of a safe European haven. And it seeks to reassure rank-and-file soldiers that they can keep their jobs and avoid punishment after President Jean-Berirand Aristide is restored.

It is neither a pretty policy nor fair. offering Haiti's persecutors the safe haven that so many of its persecuted have been denied. But it makes some sense given the unpleasant realities of Haiti. It could be justified if it contributes to ending the terror and restoring democracy there.

It was General Cedras's refusal to leave Haiti last October that undid the U.S.-sponsored Governors Island agreement, the last serious attempt to resolve the crisis diplomatically. Inducing the general and his fellow commanders to leave now could put diplomacy back on track. And the only way Father Aristide is going to be returned without using outside force is to overcome the opposition of an army rank and file that fears retribution.

But Washington should have no illusions that removing this gang of three would solve more than the most immediate problems. The terror in Haiti comes from the lower military ranks and paramil-itary groups created during the 30-year Duvalier dictatorship. It was rank-and-file soldiers who began the coup against Father Ariside to protect their privileges,

control of the revolt. Once he departs, the same army elements will surely seek another general to lead their cause, as they did when Washington coaxed previous

Haitian strongmen into exile. The only time Haiti experienced real change was under the seven-month rule of Father Aristide in 1991. It was no democratic idyll, but not only top commanders were replaced but also the local section chiefs who had been the dictatorship's enforcers. Father Aristide made the only serious attempt to disband the Duvalierist militias and encourage Haiti's poor majority to participate in the country's politics.

The coup abruptly reversed this process, as its sponsors intended. Simply to bring Father Aristide back under present conditions would be, in effect, to parachute him chind enemy lines without a rifle.

The Clinton administration says that after the three commanders leave, it would help professionalize Haiti's army and create a separate police force. But the assurances now being offered suggest that most lower-ranking personnel would be kept in place. If Washington's goal is to secure democracy and stanch the flow of relugoes, it must pursue broader changes. One way to do that might be to recruit

large United Nations peacekeeping force to control the existing army while a new one is created from scratch. Ideally, most of the peacekeeping troops should come from other Caribbean countries, with Washington contributing money and logistical support. U.S. diplomats would have to line up volunteer nations, just as they recently recruited regional countries to host refugee reprocessing. Luxury exile for the gang of three would be a tolerable price for a serious

effort to end Haiti's agony. Absent that offort, it would be a disgrace.

- THE NEW YORK TIMES.

#### A Crackdown Roils Jakarta's Waters TONG KONG — Tuesday's By Philip Bowring

cal-military relationship between the alliance and individual Part-

ner countries. Cooperation within

the Partnership will help increase stability and security for all. It

will promote shared democratic

principles, such as transparency in national defense planning and

budgeting and democratic con-trol of defense forces.

Joint military planning, training and exercises will strengthen the

ability and readiness of members

to take part in multinational

peacekeeping, search-and-rescue and humanitarian missions under

UN authority or the responsibility

of the Conference on Security and

HONG KONG — Tuesday's decision by President Suharto, 73, to close Indonesia's three best-known weekly maga-zines has startled the nation and lengthened the list of questions about the direction of Indonesian politics and the outcome of the eventual succession. Mr. Suharto's term expires in 1998.

The move comes close behind strikes and anti-Chinese riots in the city of Medan, and the much publicized Bapindo banking scandal, which has touched former senior ministers. There are no direct links between the three events, but all concern the intricate problems of succession and the need for and problems of a more open society.

They also affect Indonesia's international reputation as it One of the three banned publications was Tempo, a prosperous, glossy newsmaga-zine that had survived for 23 years and established a strong reputation. Tempo had come to symbolize the values of the

grown rapidly in recent years.

Another casualty of the crackdown, the tabloid DeTik, had come from nowhere to a claimed circulation of 400,000 in little over a year, thanks to scoops on government division and corrupt officials.

urban middle class, which has

Magazines have been the cutting edge of liberalization in Indonesia, a snappy contrast to the generally stodgy daily papers. None of them could be described as radical or even

populist. They were produced by and to a large extent for the elite, which has no fundamental problems with Indonesia's economie system or with its eclectic official philosophy of Pancasila, under which the unity of the state takes precedence over ideology and religion.

However, as the chie gets big-ger, President Suharto gets old-er, and old loyalties wither. Jockeying for power is on the rise, along with competition for the spoils of development The immediate occasion for the demise of Tempo centered

on the purchase by Research and Technology Minister B. J. Habihie of 39 old East German vessels to modernize the navy. Mr. Habibie is personally close to Mr. Suharto, and spearheads a quasi-political association of Muslim intellectuals. An ambitious German-trained aeronautical engineer, he is also a freespending economic nationalist.

Mr. Habibie is at odds with economic technocrats such as Finance Minister Marie Mnhammad, who have no local political base but lots of clout via international financial institutions, and many in the army, who distrust his use of religion for political purposes. The generals were also miffed that Mr. Habibie was so involved in military procurement. Mr. Habibie undoubtedly feels he has been unfairly treated by the press. In a recent speech, President

Suharto defended Mr. Habibie on the ship issue, and he has lashed out at the press for causing dissension. For now, other media will heed the warning. Ministers will appear obedient. But petulance may have over-taken the president's normal political finesse. Instead of eping everyone off balance,

The attack on Tempo has emphasized the splits that all know exist. And by appearing to come to the rescue of Mr. Habibie, the president has strengthened the argument of those who say that vithout Mr. Suharto, Mr. Habibie is not a serious contender.

The ultimate problem with
the media clampdown may he

to close the one aspect of "openness" that had come about as promised. Formal politics, via parties and Parliament is still largely moribund, so the media have provided a window on today's world and tomorrow's possibilities. The magazine bans will not

be fatal to the media. Tempo will likely re-emerge with a new name and a new editor, just as a 1987 ban victim, the daily Sinar Harapan, resurfaced as Saura Pembaruan a few months later. Indonesian liberalization has always been a two steps forward, one step back affair. Social pressures for opening remain strong.

But it is a blow, not least to the self-esteem of (to adapt the late President Sokarno's slogan) Jakarta's New Emerging Classes. International Herald Tribune.

The state of the s

subscribing to the shared goals to improve the compatibility of and values that underpin the Partnership — the preservation of democratic societies, their freedom from coercion and intimida-

principles of international law. The next step is for a country to submit its own national "Presentation Document" listing the steps it has taken or will take to promote public transparency in its national defense planning and budgeting processes, and to en-sure the democratic control of its defense forces. The country also identifies the kind of military cooperation that interests it, and the military forces and resources that it might make available for Partnership activities. The Partnership will evolve over time and encompass an increasing range of activities with NATO.

The third step is the develop-ment of an Individual Partnership program setting out specific coop-erative activities with NATO. The individual programs will be transparent to all partners, but none will have the right to interfere with any other's program.

Field exercises to promote

peacekeeping cooperation and military coordination will be a major aspect of Partnership for Peace. At least two field exercises this year and possibly a maritime exercise are being planned. These will improve the ability to work together in peacekeeping mis-sions in support of United Na-tions or CSCE decisions. The exercises will serve, for example,

communications and operational procedures. There will be other activities in areas such as crisis management and training. Many partner countries are taking up an offer to rent perma-

nent offices at NATO headquarters in Brussels, making it easier for them to participate in meetings and other activities. A Partnership coordination

cell has been established at Mons, Belgium, to carry out the military coordination and planning necessary for Partnership

for Peace programs.

NATO is prepared to consult with active participants if they perceive a direct threat to their territorial integrity, political independence or security. This offer hopefully will help to defuse future crises and contribute to stability in the European-Atlantic area.

Active participation in Partnership for Peace will play an important role in the evolutionprocess of the expansion of NATO as envisaged by the January summit meeting, taking into account political and security developments in all of Europe. The Partnership is not a substitute for membership in NATO.

The Partnership offers an opportunity for progressively closer cooperation and ties with NATO. It is not directed against any country. NATO will make every effort to ensure that this endeavor succeeds, enhancing security and stability in the interests of all. International Herald Tribune.

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1894: Literary Revolt

BERLIN - There is an interesting strike in sight. The disquieting symptoms that the number of starving poets is continually decreasing has inspired our theater directors with the philanthropic idea of reducing considerably the dues paid to authors. In view of this danger, a society of authors has been formed in order to boycott all the theaters which seek to cut down the authors' rights.

#### 1919: A German 'Yes'

PARIS - At about ten minutes to seven o'clock last evening -255 days after the Armistice guns boomed and sirens screeched, and Parisians were thus informed that Germany had answered "yes" to the ultimatum presented to her and had decided to sign the Treaty of Peace. Many hours of acute nervousuess were

passed by the German delegates as they waited for the message from Weimar announcing the Government's decision. The radio came at last, relieving the tension with its unconditional acceptance of the Allies' ultimatum.

#### 1944: Roosevelt Assailed

CHICAGO — [From our New York edition:] Governor Thomas E. Dewey of New York, in his first direct message to the Republican National Convention, assailed the Roosevelt administra-tion today [June 23]. Mr. Dewey's personal statement follows: "The national Administration has become a sprawling, overlapping bureaucracy. It is undermined by executive abuse of power, confused lines of authority, duplication of effort, inadequate fiscal control, loose personal practices and an attitude of arrogance previously unknown in our history.

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## Fiske, the Clinton Shield, Is Hardly Independent By William Safire

WASHINGTON - "I only picked up the phone," said the judge, not all that bappy to be speaking to a columnist, "because the secretary is out to lunch and my clerk is in labor.

He is David B. Sentelle, presiding judge of the Independent Counsel Panel of the U.S. Court of Appeals, a Reagan appointee. Along with Judge John D. Butzner Jr. (Kenne-dy-Johnson) and Joseph T. Sneed (Nixon), Judge Sentelle will soon be faced with a momentous decision affecting the separation of powers

and the Clinton presidency.

After an 18-month lapse (thanks to George Bush's fear of an independent counsel looking into Iraqgate). the Independent Counsel Act has been resuscitated. Before the July 4 recess, President Bill Clinton is expected to keep his promise to sign it. Then Attorney General Janet

Reno will go before the Sentelle panel to ask for the court to appoint a prosecutor truly independent of the administration to take over the Whitewater investigation. (Republicans in Congress can force her to, under the act.)

Rather than cite credible evidence that a federal crime has been com-mitted by the president, she is likely to simply declare her department in a political conflict of interest, thereby turning authority for investigation over to the judicial branch.

But what of Robert Fiske, whom she appointed special counsel under White House pressure? In January, she rightly complained that for a Clinton appointee to appoint counsel, "that does not make that person independent." She predicted that if the Independent Counsel Act were reborn, "there might be the possibil-ity for me to petition the court for the appointment of an independent counsel and the court might appoint even a third lawyer.

Sure enough, it has come to pass that Clinton appointee Fiske has conspired with Democrats in the see-nothing 103d Congress to contain the scandal, limiting congressional oversight to what be deter-mines the public may know.

Congress passed the act with the "Fiske fix"; this makes it possible for

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court panel to legitimize the lawyer chosen for ber by former White House counsel Bernard Nussbaum. The purpose of my call to the judge was to find out if his panel still exists, in light of the act's lapse. "We're ongoing," he informed me, "grandfathered by the need to supervise previously appointed inde-

for stonewalling hearings; the Democratic majority puts through the "Fiske fix"; the Clinton AG asks the

the court's imprimatur.

pendent counsel." I asked if his panel would rubberstamp the Fiske fix; that was when he gave me the hrush, talking about clerk in labor.

The judicial branch should not accept direction from the legislative branch to appoint counsel chosen by the executive branch. That would defeat the entire purpose of the leg-islation, which is to assure public perception of total independence. What about continuity of Mr.

Fiske's investigation? Let the court appoint true independent counsel; let the new prosecutor keep Mr. Fiske on for the civil side and add to the present staff. Continuity plus independence.

That would defeat the Democratic strategy to block bipartisan consional oversight. The Senate majority leader, George Mitchell, and House Speaker Tom Foley are tainting their entire careers with this partisan passion to contain the scandal hy tightly controlling hearings.
Their use of Mr. Fiske as a shield

against disclosure of wrongdoing shows how one-party control of government can corrupt the democratic process. Senator Mitchell apparentwants a circus atmosphere in the Banking Committee, where Demo-crats dominate by 11 to eight, with the Keating Five chairman, Don Riegle, gaveling down Al D'Amato for daring to ask questions about matters that Mr. Fiske and Democrats deem out of public view until

after the 1996 elections. The place to stop this stonewalling deal is in the Independent Counsel Panel of the Court of Appeals.

The New York Times.



you're supposed to pass it along."

#### LETTERS TO THE EDITOR

#### **Condemn These Killers**

1994 KERBLOCK

I have just returned from a visit to the Rwandan-Tanzanian border area, where hundreds of thousands of Rwandan refugees are gathered in miserable conditions. "Home" here is generally a patched-up affair of grass and twigs covered by a plastic sbeet donated by the United Nations High Commissioner for Refugees. Toilets are mere holes in the ground, again covered hy plastic sheets. When the hole fills up. you simply dig another.

If you ask an official what can be done to improve life in the camp. you are told not to rock the boat -'they are used to these conditions." Anyone who has any faith in mankind would do well to stay away.

as the killing continues and floating bodies contaminate the rivers. Impo-tent appeals go out to leaders on both sides to stop the killing, only to be The Unhypocritical Truth ignored, as in ex-Yugoslavia.

But as in the past, when the fighting stops, someone will propose that those same leaders receive a peace by Warren Brown: prize of some sort for deciding to stop the killing of their own people. once, but several times - to Warren

I would suggest that people all Brown, who has dared NOT to say over the world stage trials in public the bypocritically correct thing hut squares and charge the leaders of just to speak the truth. vanda and Yugoslavia, in ahsentia, with crimes against humanity and declare them unfit to hold any public office or to appear before any

international gathering. ABE NATHAN. Tel Aviv.

#### Majestic but Uninteresting

Regarding the report "A Proper, Mostly Majestic, U.S. Welcome" (June 16): It is disconcerting to see a serious

newpaper grant so much space to the U.S. visit of the emperor and empress of Japan. These people are symbolic and hold no political pow-Meanwhile, the world just watches er; they are vestiges of another era. JULIAN ALLEN.

Regarding "Correct, Hypocritical and Irrelevant" (Meanwhile, June 15)

As a European I tip my hat - not

air bases from which to bomb Japan

to salvage something — honor, per-haps — from the wreckage of long

1944, 6,000 miles (9,600 kilometers)

west of the U.S. mainland and 1,600

miles southeast of Tokyo, 64 Ameri-

can landing ships stretched out in

two long lines across a leaden Pacif-

ic. On their flanks were the destroy-

ers escorting the two divisions of

marines who were about to make the

ment of Saipan, a small, jungle-cov-

ered island, began with the whole fleet broadside on. The battleships

Maryland and Colorado opened up

with their giant 16-inch guns, while

the Pennsylvania, Tennessee, Cali-

fornia, New Mexico, Mississippi and Idaho did so with 14-incb main

The final preinvasion bombard-

On the afternoon of June 14,

years of lighting.

assault landing.

OTTO H. NOWOTNY.

#### Without Rob on Their Side

Regarding "And the Winner Will Be? The Pick Here Is Brazil" (Sports, June 17) by Rob Hughes:

The beautiful thing about Rob Hughes's prediction that Brazil will win the World Cup is that he doesn't even mention the Dutch. Perhaps he cannot forgive them for keeping England out of the Cup, Which is all to the good. There is a hoodoo about Rob's predictions. The only way Brazil can lift the trophy now is if the Brazilian coach gets a Rohbie doll and sticks pins into it.

The Dutch, on the other hand, do not have Rob on their side. They have slipped into the United States without the glare of publicity. Maybe Rob hasn't noticed. So, say it again, Rob — about Brazil, I mean. I'll send you a bottle of Bols Genever and some Gouda when it's all over.

B. J. FERNANDES. . Singapore.

#### By Denis Warner

bombers would be able to mount

regular raids to Tokyo and the Japa-

Carnage Beneath the Morning Mist

MELBOURNE — Overshad-owed by the Allied landing in Normandy 50 years ago and the drama of the opening of the second front in Europe, the U.S. Navy and batteries. They were joined by 6 heavy cruisers. 5 light cruisers Marines almost simultaneously breached the key line of Japanese defenses in the Mariana Islands in and 26 destroyers. Saipan was crucially important. for it was from there that, for the first time, the new American B-29 the central Pacific, sank most of the Japanese Navy and established the

and speed the end of the war. nese beartland. Just as the Normandy landing marked the beginning of the end for Hitler's Germany, the assault on Saipan drove the Japanese to suicid-The island's capital, Garapan, inhabited by native Chamorros, Okinawans and Japanese, was on the al desperation in a last vain attempt

#### 1944 PACIFIC 1994

est coast, 2 miles north of Charan Kanoa, which before the bombardment must have been a lovely village, with comfortable Japanesestyle houses along avenues of flame trees and bougainvillea.

But now both Garapan and

Charan Kanoa were hurning. We were far enough out to sea for the fires to resemble lights twinkling in the houses along the shore. In the dawn, smoke lay softly against the uplands like an early morning mist. Saipan could hardly have seemed more peaceful.

The appearance did not last. When the marines and their amphihious tanks crossed the island's protective reef, the Japanese met them with a bail of fire. Six waves of American troops clambered ashore.

And so the battle began. As the fighting went on over com-ing days and weeks, the once green island became a bowl of fine, offwhite dust. Tanks and trucks were enveloped in an eeric fog. Marines peered darkly through layers of grime at stomach-turning scenes. Among the burned-out farm houses, cattle lay dead. Only the long-nosed Saipan pigs thrived in the filth and horror.

growing fat among human corpses, On July 6, Yasuko Oguro, a 16year-old Japanese girl, took shelter in a cave near the north end of the island with other frightened young children, including some of her brothers and sisters. (Years later, when my wife and I were working on book, "The Sacred Warriors: A History of the Kamikaze Corps," we met Ms. Oguro in Japan, She was among a small group of Japanese survivors of the Saipan fighting.)

In the cave, workers from a Japanese navy supply depot were husy sharpening bamboo sticks into spears. Orderlies in the flickering half-light of hurricane lamps distrib uted hand grenades to the wounded. Clasping the grenades to their stomachs, they blew themselves to bits. As midnight approached, the Jap-

anese gathered outside the cave for a last banzai charge. Some men had

rifles and captured American carbines. Most had grenades. Others used blood-stained bandages to strap bayonets to pieces of driftwood, or armed themselves with clubs and even stones. The officers had swords and pistols and the

sharpened sticks.
Of the garrison's 48 tanks, all but three had been knocked out. These

were pressed into service. Shortly before dawn, Admiral Chuichi Nagumo, commander of what by then was the almost nonexistent Japanese Central Pacific

Fleet, led his men into battle. The U.S. Army outposts were taken by surprise. Some patrols had been out early in the night, but they had long since returned. Before the outposts were fully awake, 300 Japanese officers and 5,000 men burst into the American front line and

swept through it almost unopposed.
U.S. battalions broke up in disorder. Dozens of American soldiers were killed or fled from the beaches across the reef and into the sea. More than a hundred were picked up by destroyers at daylight.

Along the narrow-gauge railway once used to carry sugar cane to a mill at Charan Kanoa, more than 4,000 Japanese lay dead. Almost without exception, the officers had committed ritual hara-kiri with hand grenades. Many troops seemed to have ended the charge in the same way, their bodies hlown apart.

The Americans huried 29,000 Japanese troops; their own losses were 3.225 killed

Most of the Americans thought the banzai charge was the climax of the battle. They were mistaken. The next day, something even

more horrific occurred. Almost all the remaining Japanese soldiers, sailors and civilians, including women and children, took poison, killed themselves with grenades or threw themselves over the cliff at Marpi Point, on Saipan's northern tip.

One Japanese family — a father, mother, son and two daughters appeared on a rock platform high above the sea, First the father took off his coat and knelt, his wife behind him. Shortly afterward, he rose and without a word threw the smaller girl, 5 or 6 years old, into the sea. Then he, his wife, his son and the remaining daughter jumped off the cliff after her.

The sea around the point was so thick with the dead that a small U.S. ship sent to investigate kept running into bodies.

The writer, editor of Asia-Pacific Defense Reporter magazine, covered the Salpan battle as an Australian war correspondent. He contributed this account to the International Herald Tribune.

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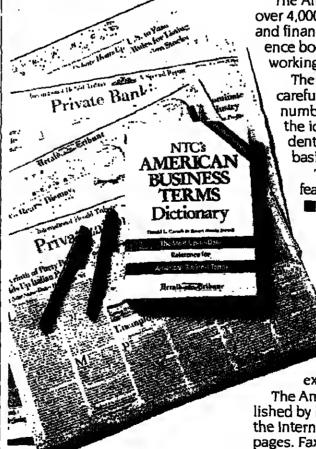
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# A Hefty Crop of Movie Festivals for Paris, When It Sizzles

By Joan Dupont

ARIS - There is a funny scene in Nanni Moretti's "Dear Diary" showing what's on Roman screens in the summer — a toss-up between soft porn and wilted reruns. In Paris, where programming is an art. Moretti would not go hungry, You can hardly go wrong in a city that has declared this "Fritz Lang Year." There is a festival called "10 Grands Westerns, La Légende," a program titled "Bad Girrrls." (with the accent on the grrt), featuring the work of young American filmmakers; "Tutto Fellini" and even a sampling of Nanni Moretti films, The American Center is running a program called "Banned in the U.S.A." and French distributors who feel that their films are virtually locked out of the United States have come up with ingenious programming to heat up interest in nauve fare.

Yann Beauvais, head of film and video programming at the American Center has imported most of "Banned in the U. S. A"

Berkeley, California, Strictly speaking, not all the films were benned, but Beauvais aims to show a diverse and provocative program that reflects on French as well as American skittishness:

"We added Jean Genet's 'Un chant d'amour' (1950), a poetic film on homosexuality banned in France for 21 years," he says. Gener's 20-minute black-and-white film was adapted from his first novel, 'Our Lady of the Flowers,' an erotic fantasy written in prison. "When it was shown in New York in the '60s, police raided the movie house: when it was shown on the Berkeley eampus, police threatened to confiscate the print.

"ixe" (1980), by Lionel Soukaz, is "a scandalous film for the '80s that shows boys making love and shooting up," says Beauvais. "It was X-rated under Giscard d'Estaing; Jack Lang de-Xed it.

Not all the films are made of such strong stuff. Otto Preminger's 1953 "The Moon Is Blue," was a harmless comedy.

from Steve Seid's Pacific Film Archive in But words like "virgin" and "seduce" and Supreme Court where it benefited by the "But every year, nearly a quarter of the Reviveley California Strictly speaking, promises of worse to come sent alarms court's ruling in favor of "The Miracle." movies made are first films — 40 this year promises of worse to come sent alarms ringing at the censors' board. Preminger brought the movie out anyway: Catholic groups intimidated theater owners, "just as pressure groups managed in get films like Godard's "Je vous Salue Marie" off screens in France and the U. S.," Beauvais

Roberto Rossellini's "The Miracle" (1943) was an historic case: Federico Fellini wrote the story; he also played a bearded tramp to Anna Magnani's peas-ant woman who takes him for Saint Joseph. Cardinal Spellman and New York's Legion of Decency charged the film as blasphemous; it provoked boycotts, picket lines and bomh threats. The case went to the Supreme Court where the argument that censorship of motion pictures vinlated free expression won out. Elia Kazan's "Pinky" (1949), about a light-skinned black woman who moves south and finds herseli rejected by two worlds "excited hysieria when it was shown in the South," says Beauvais. The case also went to the

Maurice Tinchant, a publicist and independent producer and distributor, has concocted "Coup d'été," a program of seven first films, made in France, to be re-re-leased with English subtitles for summer audiences. Tinchant, who produced Jac-ques Rivette's two-part "Jeanne la pucelle" also distributed "Les Gens normaux n'ont rien d'exceptionnel" (Normal People are Nothing Special), an unexpected hit by Laurence Ferreira Barbosa.

Coup d'été" will be shown on the Champs-Elysees and the operation also extends to the provinces. The program includes comedies like Marion Vernoux's "Personne ne m'aime" and Philippe Lior-et's "Tombés du ciel," and more somber films like Agnes Merlot's "Le Fils du requin" about juvenile delinquents.

The case of "Les Gens normaux" actual-

ly is exceptional: "The film came out in November, which meant it got talked about and won prizes, the actress won a Cesar—all that gave it a boost," says Tinchant. - and only about 10 of them do well."

Chantal Poupaud is another champion of independent cinema who has come up with a good packaging idea. She asked nine filmmakers to make an hour-length movie about their adolescence, illustrated by the music of the period. The result is a series that will be shown on Arte, the Franco-German cultural network, from October to Christmas; certain of these films evolved into full-length features shown at Cannes and other festivals and are being released in theaters this summer

— André Téchine's "Les Roseaux sauvages," Olivier Assayas's "l'Eau froide" and Cédric Kahn's "Trop de bonheur."

HE series, produced by Georges Benayoun, is called "Tous les garcons et les filles de leur age" after a popular song of the '60s and each film has a party scene.

The idea was to do 10 films that would span the decades from the start of rock 'n'

roll through the '90s." Poupaud St. 1 thought it would be interesting to see now directors of different ages looked at things - family, sexuality, money. I've a ways been fascinated by television and wondered why French directors looked down on it. thought, if I let them shoot with their usual teams, in Super 16 or 35mm. why wouldn't they want to make films for TV

The incentive was the originality of the low-budget concept, and the opportunity to use all the music they wanted — for free. Poupaud's son Yarol is a musician and balred are son Yarol is a musician and helped set up the deal with Sony. Each director improvised on the assignment: Technic returned to his lycee of the 60s near Toulouse; his party scene lasts nine min-utes: Assayas filmed lyceens of the '70s in the Paris suburbs to a musical delirium that goes on for 45 minutes.

Poupaud's next theme project is on women. The title: "Toutes les femmes sont folles."

Joan Dupont is a Paris-based writer spe-cializing in the arts.

#### Les Patriotes

Directed by Eric Rochani.

Ariel (Yvan Attal) has left his family in Paris to become an undercover agent in fsrael. After four years of basic training he is assigned to the Mossad, and to his first missions in Paris. His shadow life is not very exciting: He sits in the wings and engineers set-ups, blackmailing Remy, a research scientist (Jean-François Stevening. Marie-Claude (Sandrine Kimberlain), a call girl who proves to be the undoing of Remy, is the best thing that happens to Ariel. Detached from his old world, he visits his own life like a spy, going to see his sister (Christine Pascal) and casing ber apartment as if he might find some clue to his lost humanity. Attal, who looks like Dustin Hoffman, gives one of those minimalist performances — eyes burning, face clammed shut - that goes with his joh, displaying more boredom than anguish. The real mystery is wby he ever wanted to join the Mossad. Rochant, who has always been interested in the odd man out, sews a postmodern web of disillusion around a musty scene. After 2 bours, 22 minutes of demystification, the game's up and you've been watching one those Cold War thrillers - where the shots are fired

#### **Bad Boy Bubby**

otiscreen, and norod

Directed by Rolf De Heer. Australia/Italy

(Joan Dupont, IHT)

We've seen it all before, in "Tommy" and "The Enigma of Kaspar Hauser" and "Rainman." The gifted. stunted man-child who sets



Eric Rochant. director of "Les Patriotes."

out into the world, buoyed and betrayed by his naïveté and common sense. Yet "Bad Boy Bubby" somehow manages to stand on its own as a successful interpretation of a well-wrought genre. Bubby is a thirtysomething little boy whose universe consists of a dreary basement appartment in which he is imprisoned and abused by a sadistic, in-cestuous mother. After killing his mother and his errant father, Bubby wanders through the post-industrial world of rural Australia, where he is fondled, mugged. ridiculed, and ultimately arrested. Linguistically deprived. Bubby tends to repeat the sounds and phrases that he hears on the street, he they a policeman's warning, a drunken man's obsceniues, or a cat's snarl. As a human, childlike parrot. Bubby is unable to provide for himself or even to communicate with

his strange new world. Then, in a twist of events that could only make sense in a modern age fable, he finds his range —and his fortune —as a cult singer in a rock band. Nicholas Hope is brilliant as the child hostage turned adult outcast turned ageless prophet. And Rolf De Heer's fastpaced direction make this fairy tale into an electrically entertaining and almost believable story. (Ken Shulman IHT)

Directed by Ayoka Chenzira.

Alma Gold (Kim Weston-Moran), the title character of Ayoka Chenzira's good-humored coming-of-age film, "Alma's Rainbow," is the straidaced owner of a beauty parlor who lives with her adolescent daughter, Rainbow (Victoria Gabriella Platt).

The daughter, who attends a strict parochial school and studies dance, is just becom-ing aware of boys. Although Alma has no dearth of suitors, she has fooled herself into believing she has outgrown the need for male companionship. And she sternly advises her daughter to follow her example and keep men at a distance. Their austere life is disrupted when Alma's, sister, Ruby (Mizan Nunes) appears out of the blue for an extended visit. Ruby is everything her sister is not. A flamboyantly sexy nightclub performer with a trunk full of glittering costumes, she has been making her living in Paris as a Josephine Baker imitator. Although Ruhy's time has passed, she is too proud to admit it, and she still puts on the airs of an international star who is between engagements. Using her wiles, she inveigles the neighborhood's pompous undertaker into shuttling her to auditions in his hearse. To Alma's dismay, Ruby takes Rainbow under her wing and stimu-lates the girl's nascent showhusiness ambitions. "Alma's Rainbow" is a hip urban sitcom with sepia-toned flash-backs. Although the screenplay largely transcends television formulas, the characters verge on being stock comie types. In its affection for them and in its robust evocation of an black urban milieu, "Alma's Rainbow recalls Spike Lee's first film, "She's Gotta Have It." The heart of the movie is the struggle between the selfrighteously prudish Alma and the flamingly free-spirit-ed Ruby for Rainbow's re-

(Stephen Holden, NYT)

spect. The movie makes no

bones about being on Ruby's

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## Papua New Guinea by Dugout

By Ann Gibbons

MBUNTL Papua New Guinea - A small group of villagers stood by the side of the grass airstrip as our single-engine plane set down in this settlement on the banks of the Sepik River in Papua New Guinea. No sooner had we climbed ont of the plane than our Australian pilot dropped our bags on the grass, spun the plane around and took off. We soon knew why: The mosquitoes had descended on us like vultures on a fresh kill.

As we slathered on mosquito repellent and rolled down our sleeves, the villagers chuckled. This was not the kind of adventure my husband and I had in mind when we made our plans to explore the Sepik, one of the great rivers of the world, which is to Papua New Guinea as the Amazon is to Brazil. Much to our relief, a slender New Guinean soon stepped forward to help us, saying "Ann. Ann?" with a pidgin English accent. This was our guide, Abraham Laklom, and he quickly led us past a few buts to the river bank. There, be pointed to the 30-foot (9-meter) dugout cance with an outboard motor that was to be our cruise boat for the next three days.

Ahraham unfolded two child-sized chairs, placed them one behind the other in the cance and beckoned us to climb in for a sunset cruise upstream. He slapped a wad of mud on a slow leak in the floor and tugged on the motor's starter cord, and we were soon slicing through the brown waters of the upper Sepik — with cool breezes on our faces and, mercifully, out of range of the mosquitoes. We sat back in our chairs and began to take in the scenery -thatched buts built on stilts on the river banks, men's "spirit bouses" with fearsome carved figures guarding the doors. and dugout canoes with prows in the shape of crocodile heads.

As the setting sun tinged the river's water gold, a few fires began to light up along the shore, and we caught glimpses of people finishing their day's work. Women were washing the starchy pith of the sago palm in baskets at the water's edge, while men stood on wooden platforms above the fires, chewing betel nut and spitting the red juice on the ground. Children bobbed in the water, waving and calling out "Apinum, apinum" (pidgin for "Good afternoon").

HE light was fading when we beached on the muddy shore of one village, where we could see the silhouettes of men rubbing hot charcoal onto a cedar log. Abraham introduced us to the men, who were dressed in Western clothes: but several had holes in their ear lobes the size of wine corks, and patterns of raised scars on their chesis. They were friendly and eager to show us how they were making the log into a cance, but these markings from initiation rites reminded us of their heri-

had wanted to travel there to meet these people. I also was drawn by their art, having seen collections in museums in the United States of the carved masks, shields. musical instruments and figures that were once used in ceremonies to celebrate a spirit world of ancestors and animal beings. We chose to travel by dugout canoe

because we wanted to explore the river's

tage as warriors and headhunters.

Ever since I had read Margaret Mead's vivid descriptions of "the pace of life in a cannibal tribe" in the Sepik in the 1930s, I

tributaries and lakes, where the villages are smaller, friendlier and less visited. The wide, fast-moving Sepik River is the major highway of the region, and we had heard that some of the tribes living along the well-traveled sections of the middle and lower river were door from too much exposure to Westerners.

We began our trip in Ambunti, 475 miles north of Port Moresby, where we stayed at the simple but clean Ambunti. Lodge after our sunset tour upriver.

The next morning we were up and in our canoe early, but the river already was bustling with life. We glided past canoes paddled by women returning from market, taxi canoes carrying 8 to 10 people, and mini canoes maneuvered by children who were out fishing. When we spied an interesting-looking village, such as Korogo and Kanganaman in the middle Sepik, Abraham would tie up the canoe alongside a series of the villagers' canoes, and we'd clamber over them to shore.

The first destination was usually the haus tambaran, or spirit house, where the men gather to carve wooden artifacts, to talk and to relax in the shade. Historically, women have been barred from these houses, where the men undergo their secret initiation rites. But the rule is bent for Western women, because these houses also serve as galleries where the men display and sell their carvings, which are now made primarily for tourists.

#### IBAR TIIS

■ No Excuses Sportswear, which knows how to make a buck, on the backs of scandal-tainted women, has apparently selected Paula Jones as its pinup girl, says The Washington Post. No Excuses does have its standards, however. Recently, the company turned down Tonya Harding because it was

& Am't right? • Knights' group

10 Where Howard

12 Wish the best

11 The elite

looking to upgrade its image.

After spending the morning exploring villages along the middle Sepik, Abraham turned our cance south into a narrow channel that flows into the less traveled Chambri Lakes region. This was the highlight of the trip. As we pressed farther downstream, the foliage became more dense and the birds more numerous. We flushed out flock after flock of berons, egrets and cormorants, which swooped gracefully out in front of our bow. Tree frogs chirped rhythunically as we skimmed along. At the enn of at Chambri Lake, where we were to stay in Walindimi, a village at the foot of a lush hillside, where the mist was rising from the trectops when we landed.

HE next morning, we moved on to Tambanum along the middle Sepik, where the people are renowned for their carvings and where Margaret Mead had lived for some time. We were indeed impressed by the Tambanum masks, and the villagers there showed us the site where "Miss Margaret's" house had been (now overtaken hy the river). But they were more jaded than the people of the Chambri Lakes who had not had their fill of westerners — yet. The bonus, however, was that the guest house across the river from Tambanum turned out to be luxurious by Sepik standards; it had a shower and a large porch where we could sit in wicker chairs and watch the canoes on the river, as we sipped sodas and found relief from the hot sun. Finally, our adventure ended with a

short canoe ride back up the river to Timbunke, where we pulled up on shore right beside another grass airstrip. As we took off in the same single-engine plane waving goodbye to Abraham and Rich ard, I realized there was only one part of the trip I would not miss - the mosquitoes. But there was no escaping them: They were on board with us.

Ann Gibbons, a contributing correspondent for Science magazine, wrote this for The New York Times.

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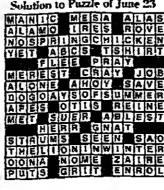
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guished Britons, like the Earl of Carnavon,

# 'Code Sharing': What No One Tells You

By Roger Collis International Herald Tribune

TOU never know these days whether the airline you booked on is the one you will actually fly. Or whether you'll start out on one type of plane and arrive on another.

Just as you're about to board your SAS flight from Copenhagen to New York, you discover that the service is being operated by Austrian Airlines. The flight you booked on Cathay Pacific from Hong Kong to Ho Chi Minh City turns out to be Vietnam Airlines. You may not be happy to find that your Delta flight from New York to Buda-pest is operated by Malev-Hungarian Airlines. You book husiness class on British Airways from London Garwick to Marseille and find yourself in sardine class on a Fokker 28 operated by TAT. Nobody told you that the Continental flight from London to Denver with a through flight number involves a two-hour stop in Newark. And what you thought was a BA flight from Syracuse to London is really USAir on the first leg to Philadelphia.

These are examples of how you can become a victim of "code-sharing" - a system wherehy one or more airlines agree to use the same "designator code" or flight number for connecting flights in order to attract more business. Airlines say that code-sharing offers more choice to travelers and a "seamless service" with one boarding card. But there is growing criticism that code-sharing is misleading because the traveler is huying one product but getting another. An analysis by the U. S. Department of Transportation found that 30 percent of passengers on code-share flights are not told which carri-er they will be flying. "If the airlines can create a seamless

service through code-sharing, we'd be very glad," says Tony Hockley, economic advisor at the Air Transport Users Council (AUC) in London. "Our concern is that the passenger should be told. And we know that is not the case. Airlines shouldn't rush into these alliances for marketing reasons without looking at the

#### The Frequent Traveler

effect on passenger services. We've had complaints from people who have flown to the States and found themselves changing to a little prop aircraft when they thought they were flying BA or Delta. TAT flies on BA codes from Gatwick to Lyon and Marseille. But you may not know until you're on the plane."

"Passengers often panic when they get off a 747 and find themselves on a cigar tube - that's the issue," says Ron Speirs, a vice president of Reed Travel Group in Chicago. "I think if people knew that, they might ask a few more questions - or take a different service."

"If you buy a ticket on BA and wind up flying on a U.S. carrier that's almost hroke, you may not want to fly on that," says Hans Krakauer, spokesman for the International Airline Passengers Association in Lisbon. "As a passenger, you are entitled to be told when the flight you booked is operated by another carrier. You must have the right of refusal to travel on that flight and have your ticket ways has a similar arrangement with City refunded."

Fiver between London (Luton) and Paris

Code-sharing is nothing new. It started back in 1960s when U. S. commuter airlines started using the same codes as the majors when connecting at their hubs. Traveling between Stockholm and Geneva in the early 1970s, Swissair and SAS had "double designator" codes, so you could find yourself flying one or the other line (still the case). And the morning Swissair flight from Geneva to Milan was operated by a Fokker Friendship char-tered from Balair. "About four years ago I flew Air New Zealand from Sydney to Auckland on a Qantas plane with a Qantas crew." That's what is called a "wet

An example of a "dry lease" that went wrong is told by a former TWA executive:
"Back in 1987, TWA had no evening flight from Heathrow to New York. So we struck a deal with Gulf Air. They had a plane which came in late afternoon, and we flew it to New York with a TWA crew. Once a party of orthodox Jews came on board, and seeing that everything was in Arabic, got off the plane." Code-sharing comes in many guises: an

on-line" change of plane with the same airline; connecting from one airline to another with the same flight code; "double designator" flights — one airline operating the service; "blocked seat" arrangements whereby one airline sells seats under its own code on another airline; and franchise agreements whereby one airline pays another for the right to carry its name. Thus Virgin Atlantic has a franchise agreement with the Irish airline, Cityjet, from London City Airport to Dublin; and British AirFlyer between London (Luton) and Paris under a BA flight-code.

Krakaner is concerned that code-sharing may replace the passenger's right to "interline" from one carrier to another under IATA rules — whereby baggage is checked through; a through fare rather than a "sector" fare is applied, and the tariff attribution between carriers is done automatically by the IATA clearing system.

"You must maintain the passenger's right to switch carriers to go to a specific destination," Krakauer says. "I was traveling from Lisbon to San Antonio: I flew to Newark and then had to get a separate ticket on Delta because there was no inter-line. Why? Because you've now got airlines

going all the way through code-sharing."

Code-sharing works best for the traveler
when partner airlines share the same quality and culture: the case with SAS, Swissair, and Austrian in their Quality Alliance. The device may enable consortiums of smaller airlines to compete with the majors in the global arena, providing more choice for consumers. Passengers can benefit through frequent-flier plan tie-ins. And they may have less hassle with connecting flights. JAL passengers connecting on a code-share flight with KLM at Schiphol en route for Madrid or Zurich are met hy a JAL repre-

Airline timetables should reveal code share flights or joint operations. But the best way to make sure is to subscribe to a neutral data hase such as the ABC or Official Airline Guides. Failing this, take an ABC or OAG pocket guide with you. If

## Portofino: A Postcard **Dotted With Yachts**

By Paul Hofmann New York Times Service

ORTOFINO, Italy — Several years ago, a few of the Italians ensconced in villas on Portofino's green slopes, from which they could see their yachts down at the marina, were in the habit of sending their helicopters to Genoa, 15 miles to the northwest. every morning to fetch the newspapers from Milan and Turin in time for breakfast.

The rotor noise irked other guests of Portofino, so in 1991 the municipal council, representing the little harbor town's 650 year-round residents, banned all choppers from its vast territory. And thus ended air service to one of the most elegant resorts along the Italian Riviera.

More recently, the ancient town welcomed another, noiseless, means of transportation that added a new dimension to a Portofino holiday: a sightseeing submarine. Tritone 2, a 56-foot (17-meter) long, 106ton craft with a crew of two, since March 1993 has taken as many as 46 paying passengers 150 feet below the surface of the sea off the rocky peninsula. Large portholes permit the observation of underwater flora and fauna, floodlighted by the submarine.

The sheltered natural deep-water harbor at the southeastern tip of the square, hilly peninsula was called Portus Delphini, or dolphin's harbor, by the ancient Romans - whence the name Portofino.

The facades of the old fishermen's dwellings, in faded yellow, other, brown or blue, are all are designated as historic landmarks. Nobody would suspect that the interiors have long been gutted and restructured into small, smart apartments for people who live elsewhere most of the time.

In Portofino as elsewhere along the Italjan Riviera, seafood dominates the menus, although most of the products come from far away by refrigerator truck or air because the sea off Liguria has long been overfished, and to a great extent is pollut-ed. A regional specialty is pesto as garnish for pasta dishes. The green sauce contains olive oil, basil and other berbs, garlic, pecorino or Parmesan cheese, and finely ground pine nuts. Among the Ligurian wines, mostly whites, the vintages grown in the rocky Cinque Terre are particularly recommended.

The elegant eating places around the harbor and piazzetta of Portofino are good and expensive. One of the best is Delfino, on the Piazza Martiri dell'Olivetta, recently refurbished by the veteran restaurateur Carmelo Carluzzo with white-washed walls, modern paintings, a black-and-white pavement and stylish chairs. Try the scampi and risottos. Pitos-foro, on Molo Umberto I, has a lofty veranda overlooking the marina. Dinner for two, with wine is \$100 to \$130.

High above the port, on the crest of the promontory, a white flag with a red cross on a tail pole was fluttering in the breeze. It is Portofino's St. George's Cross (the same one that, together with the crosses of St. Andrew and St. Panick, appears on the Union Jack). The adjacent parish church of Portofino treasures what is believed to be a relic of St. George, England's patron saint. The British have since the Middle Ages shown a particular liking for Portofino. King Richard the Lion-Hearted of England sailed from here in 1190 for the Third Crusade, And, much more recently, distin-

have bought properties on the peninsula. The vistas from the height of the promontory are spectacular. On clear days one can see as far as the Capo delle Mele, a eliff 60 miles (100 kilometers) west of Genos and the resorts and hills along the

Gulf of Rapallo to the east. After visiting the Church of St. George, some visitors proceed on a footpath for half an hour to the lighthouse to take in the vistas of the sea and of the Gulf of Rapallo with the fantastically rugged Cinque Terre coast at its eastern end, Cinque Terre means "five lands" - five little fishing and wine-growing villages in as many coves separated from the rest of the mainland and from each other by steep cliffs and ridges.

If you like trekking take the marked path from Portofino to the ancient fishing port and abbey of San Fruttuoso on the south side of the square-shaped peninsula. The distance as the seagull flies is barely two miles, but the hike, up and down the rocky peninsula, may take two hours, af-fording beautiful views and a chance of seeing patches of the macchia, the dense Mediterranean underbrush that has long disappeared from most stretches of the Italian coastline. San Fruttuoso can also be reached, with less effort, by boats that sail from Portofino's embarcadero several times a day. There is no road to the village.

However, most visitors, instead of climbing the steps to the parish church and the panoramic balustrades nearby, just stroll in the neighborhood close to the harbor.

HE Via Roma, like most of the town, is closed to motor traffic. Autos arriving on the narrow, curving three-mile highway from Santa Margherita Ligure can only get as far as the clongated Piazza Liberta where the town hall stands. If they don't find a vacant slot in the town's only public parking garage, motorists must turn around and drive back all the way.

In fact, almost all the excursionists take the evening boats back to the nearby coastal resorts or otherwise leave the peninsula around sunset, because Portofino can't accommodate too many guests. Its few hotels have only 179 beds.

There is, of course, the Splendido. One of the most famous and expensive hotels in all of Italy, the Splendido is a former private villa on a luxuriant hillside a mile from town. Its own access road from the peninsula's only highway snakes up across' a sloping park with pine and cypress trees and diverse plants from Mexico, South Africa, China, Japan and other parts of the world. From the balconied rooms of the yellow-and-pink building and from its flowery terraces guests see an overwhelming panorama of the harbor, the forested spur of the promontory beyond it, and the

A wall near the dark-paneled reception desk displays portraits of celebrities who have stayed here, mostly show-business personages from Clark Gable and John Wayne to Larry Hagman, who as J. R. Ewing in "Dallas" won TV fame in Italy.

The Duke and Duchess of Windsor, Greta Garbo, Ernest Hemingway, Ingrid Bergman, Aristotle Onassis — all stayed at the Splendido at one time or another, and dined in style on the terrace high above the heated outdoor swimming pool. Its 63 rooms cost up to \$559 for two with



The Australian Opera, rel: (2) 519-1088 Puccini's "Madama Buttarfly," Directed by John Copley, conducted by Graeme Jenkins with Leona Mitchell, Jenniler Bermingham and Christopher Doig, July 1 (premiere), 4, 8, 14, 19, 23 and 26.

BELGIUM

Musee Plantin-Moretus, tel: (3) 233-02-94, closed Mondays. Con-tinuing/To July 24: "Gerard Mercator et la Geographie dans les Pays-Bas Meridionaux."

BRITAIN

Edinburgh

Joseph Comell, Claes Oldenburg, Maurice Henry and Arman.

London British Museum, tel: (71) 323-8525, open daily. To Ocl. 23: "Greek Gold: Jewellery of the Classical World."
Drawn from the collection of the Hermitage in St. Petersburg, the Metropolitan Museum in New York, and the
British Museum collections, more

brinsh Missaum Collections, more than 200 pieces of jewelry created between 500 and 300 B. C. by Greek artisans throughout the Mediterranean and Black Sea areas.

Buckingham Palace, 1el: (71) 799-2331, closed Mondays. To Dec. 22: "Gamsborough and Reynolds: Contraste in Reval Patronne." trasts in Royal Patronage." A collec-tron of paintings by 18th-century po-traitists Gainsborough and Reynolds from the royal collection.

Royal Opera at Covent Garden, let. (71) 240-1065. A revival of Massenet's "Manon." Directed by John Cox, conducted by Colin Davis with Leontina Vaduva and Giuseppe Sebbetini. July 2, 5, 8, 13, 18 and 21.

CANADA

Musée des Beaux-Arts, tel: (514) Musee des Beaux-Arts, tel: (514) 285-1600, closed Mondays. To Oct. 2: "Tamara de Lempicka." 50 paint-ings dating between 1920 and 1954, Include portraits, nudes and still lites. Quebec

Musée du Québec, tel. (418) 543-2150, open daily. To Aug. 7: "Les Estampes des Nabis: Vuillard et Ses Contamporains." Printmaking en-couraged the simplification and flattening of form and color that the Nabis valued. More than 60 prints, illustrated books, posters and three portfolios by Bonnard, Denis and Vuillard.

DENMARK Copenhagen

Kunstindustrimuseet, 1el: 33-14-94-52, closed Mondays To Aug. 7: "Nordic Images: Scandinavian De-

sign in the 1990s." Objects and pro-totypes from all Scandinavian countries, showing concern for the environment, awareness of the potentialities of natural materials and the tradition of cratismanship,

Statens Museum for Kunst, tel: 33-91-21-26, closed Mondays. To Aug. 7: "The Golden Age of Danish Parnt-ing." More than 100 paintings from the first half of the 19th century; land-scapes, marine views, cityscapes, portraits and contra expense the Chris portraits and genre scenes by Chris-toffar Wilhelm Eckersberg, Jens Juel

and Christen Kobke.

FRANCE American Center, tel: 44-73-77-77, open daily. To Dec. 1: "Bill Viola: Stations." A video installation of five channels of color video projection and sound focuses on images of the human body of the proposed of the propose city Art Centre, tel: (31) 529-3541, closed Sundays. To July 16: "Worlds in a Box." Traces the evolution of art in boxes from the early Surrealist years to the Pop and Fluxus movements of the 1960s and to the present day. The exhibition teatures works by rat," by Jean Louis David.

Domaine da Bagatelle, tel: 45-01-20-10, open daily. Continuing/To July 31: "Kyolo-Paris-Kyoto: 1200 Ans d'Influences."

Musee du Louvre, tel: 40-20-51-51, closed Tuesdays Continuing/To Sept. 5: "La Reforme des Trois Carsept. 5: "La Herorme des frois Car-raci: Le Dessin a Bologne, 1580-1620." More than 100 drawings by Lodovico Carraci, his two cousins and their pupils. Also, to Dec. 26: "La Collection Pulforcat-Niarchos." Exhibited once every 10 years, the Creek shipping proposity politeration Greek shipping tycoon's collection includes gold goblets, silver dishes, spice boxes and silverware dating from the 16th to the 20th centuries Musée Marmottan-Claude Monet, tel: 42-24-07-02. Continuing/To Oct. 2: "La Nouvelle Vague: L'Es-tampe Japonaise de 1868 a 1939 dans la Collection Robert O. Muller." Mora than 150 Japanese prints, dal-ing back to the opening of Japan to

the West in 1868. Rouen Muse des Beaux-Arts, tel: 35-71-28-40, closed Tuesdays. To Nov. 14: "Rouen, Les Cathedrales de Monet." 17 paintings from the series of views of the western portal of the Rouen cathedral, which Monet painted in 1894, and were then dispersed in

museums and private collections throughout the world. Saint-Germain-en-Laye Musée des Antiquités Nationales tel: (1) 34-51-53-65, closed Tues-

days. Continuing/To July 18: "Ver-cingetorix et Alesia." Anifects from tha Gauls penod, including weapons, iewels and vases.

GERMANY

Deutsche Oper, tel: (30) 3-41-02-49. Puccini's "La Boheme." Directed by Gotz Friedrich, conducted by Rafael Fruhbeck de Burgos, with Fer-nando de la Mora/Antonio Ordonez and Eva Johansson, July 2, 3, 5 and

Kunst- und Ausstellungshalle, tel: (228) 9171-200. Continuing/To

Oct. 16: "Europa, Europa: Das Jahr-hundert der Avantgarde in Mittel- und Osteuropa." 700 hundred works by 200 painters and sculptors from the former Iron Curtain countries. Cologne

Cologne
Museum Ludwig, tel; (221) 2-2123-79, closed Mondays. ContinuIng/To July 10: "Der Unbekannte
Modigliani: Die Sammilung Paul Alexandre." Features more than 400
drawings and watercolors created by
Modigliani between 1907 and 1914. Munich

Nationaltheater, tel: (89) 22-13-16. Wagner's "Tannhauser." Directed by David Alden, conducted by Zubin Mehta with Jan-Hendrik Rootering, René Kollo, and Nacine Secunde. July 6 (premiere), 9, 14 and 17.

ISRAEL

Jerusalem Israel Museum, tel: (2) 708-811, open daily. To Oct. 1: "The Urdest Gold in the World." Hundreds of gold ornaments that adomed and accom-panied the dead in antiquity excavat-

ed from graves along the shores of the Black Sea in Bulgaria.

Centro Culturala di Esposizione a Comunicazione Zitelle, tel: (41) 528-6310. June 23 to 27: "Rassegna Mondiale di Gallerie." An exhibition of visionary contemporary painters shown by art gallenes from Italy, France, Germany and Russia. Zitelte Cultural center, tel: (41) 528-6310, open daily. Continuing/To Sept. 11: "China 220 B. C.: The Xian Warriors." Includes 10 original life-size forra-cotta warriors and 2 horses from the army of 7,000 guarding the tomb of the Emperor

Öin Shihuangdi. SWITZERLAND

Petit Palais, 1et: (22) 345-14-33, open daily. To end Oct.: "La Famille vue par les Peintres, de Bezille a Picasso." A century of paintings representing various aspects of tamily life, with works by Bazille, Valtat, Kisling, Lhola, Laurencin and Picasso.

Lausanne

Fondation de l'Hermitage, 1el: (21) 320-50-01, open dally, To Oct. 23: "Les Peintres de Zborowski: Modi-gliani, Utrillo, Soutine et leurs Amis." The art dealer Leopold Zborowski be-came rich when Dr. Paut H. Barnes bought 150 paintings by Soutine and 15 by Modiglian for his collection in 1522. The exhibition presents 20 works each by Modiglianl and Sou-tine, landscapes by Utrillo and sever-al paintings by Kisling.

al paintings by rusting.

Martigny
Fondation Pierre Giannada, tel:
(26) 22-39-78, open daily. To Nov.
1: "De Matisse a Picasso." 80 paintings, drawings and sculptures by 30
20th-century artists including works by Bonnard, Matisse, Braque, Picasso, Balthus and Chagall.

UNITED STATES

Los Angeles Los Angeles County Museum of Art, tel: (213) 857-6000, closed Mondays and Tuesdays. To Aug. 28: "Korean Arts of the 18th Century: Including paintings, ceramics, callig-raphy, furniture, textiles and imperial regalia. A dozen works are designated as National Treasures by the Ko-rean government.

Frick Art Museum, tel: (412) 371-0600, closed Mondays. To July 24: "Facing the Past: Nineteenth-Century Portraits from tha Collection of the Pennsylvania Academy of Fine Arts." A visual record of the changing face of America in the 1800s, as seen

through the portraits of American painters such as Rembrandt Peal, John Singer Sargent and Thomas Sully. A small contemporary exhibi-tion includes portraits by modern artists such as Chuck Close, Andy War hoi and Jamie Wyeth.

National Gallery of Art, tel: (202) 737-4215, open daily. To Oct. 2: "Gemini G. E. L.: Recent Prints and Sculpture." A selection of 73 prints and edition sculpture produced over the last decade at the Gernini G. E. L. workshop in Los Angeles, demon-strating a provocative range of styles, mediums and techniques. Among the artists represented are Richard Die-benkorn, David Hockney, Jasper Johns and Ellsworth Kelly

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On June 25: "Paysages, Paysans." Bibliothèqua Nationale, Paris. On June 26: "Pompeji Wieder Entdeckt." Antikenmuseum, Baset. On June 26: "Medardo Rosso: Impressionist Sculptor." Scottish National Gallery of Modern Art, Edin-

By Alan Truscott

THE Eastern Regional Championships began with

a danger of the proceedings be-

ing disrupted by Gerry Mac-

Cambridge, who could, in the-ory, read his partner's mind or

hypnotize the opposition. He is

He is also a psychic. This

term came into use more than 60 years ago, and the originator

seems to have been Dorothy

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strong halanced hand.

a mentalist and a hypnotist.

On June 26: "Da Ansel Adams a Andy Warhol: Ritratti e Autoritratti dalla Collezione dell'Università del Michigan." Palazzo Fortuny, Ven

On June 30: "Works by the COBRA Group." Museum of Modern Art, Buenos Aires.

#### BRIDGE

RECOVERING - AMERICAN LITERATURE

By Peter Shaw. 203 pages. \$22. Ivan R. Dee.

Reviewed by Katherine Knorr

the political commissars run-

lishments. No longer are any of these novels celebrations of man's grandeur in the face of tragedy or anything square like that. Now they are judged by their take on gender or race discrimination. Thus "Moby Dick" must have something to say to American Indians and to Finn" has been twisted more

A MERICAN literary clas-vomen (hey, why no female role models among the har-wright, have been hijacked by poonists?), and "Huckleberry ning university Lit Crit estab-

· Fernando Trueba, the Spanish filmmaker who directed "Belle Epoque," is reading, Turnaround: A Memoir," by Milos Forman and Jan Novak.

WHAT THEY'RE READING

"The book tells about his carly years in Czechoslovakia and his exile in the United States and how he begins his moviedirecting career in America after having made films in Czechoslovakia. It's an interesting life." (Al Goodman, IHT)



Peter Shaw has looked at five classics — "The Scarlet Letter,"
"Moby Dick," "Billy Budd,"
"The Adventures of Huckleberry Finn" and "The Bostonians" - and studied the change in critical approach roughly over this century. His findings are pretty frightening.

+

Where earlier critics fought over art for its own sake versus art for edifying purposes, or over scales of vision, critics be-ginning with Marxists in the 1930s started analyzing, and in some ways rewriting, the great books to square with their own crackpot view of history.

Things became distinctly worse in the 1960s, when the number of "victim" groups that had to be accommodated grew larger than ever. The difficulty with interpreting the classics to mean whatev-

er is fashionable is that some-

times the actual text doesn't

lend itself to this. haunted by the young man's All sort of methods are used memory. In contemporary critithen, from saying that the au- cism, however, Billy becomes a the angriest at the portrayal of

thor didn't know what he victim of the system, and Capmeant, to saying that he said tain Vere becomes a representaone thing but meant another tive of the military industrial because he was being ironic. complex. Thus Melville is made to be a Shaw cites Lionel Trilling revolutionary when he was himself hardly the radical right deeply suspicious of radical re- on interpretations of "Billy form, and Hawthorne is made Budd." Writing in a didacti to be a feminist when he bur- novel, Trilling set side by side dens Hester Pryone with the the way left-wing intellectuals scarlet letter.

Xian warrior on show in Venice;

Modigliani portrait of art dealer

Léopold Zborowski in Lausanne.

BOOKS

carlet letter. were at pains to defend Stalin's
One interesting example is show trials on the one hand, criticism of "Billy Budd," where with their denunciation on the the harsh punishment of the other of the execution of Billy eponymous hero for a murder he Budd for a crime he did after all committed unwittingly is inter- commit, as the symbol of preted as an American class bloodthirsty tyranny. struggle. Never mind that "Billy Budd" takes place in 18th-century England, in a military setting opposite poles are those who where mutiny was rife, or that reject the classics (or dead white Melville clearly means that laws must be enforced.

Billy is an innocent who is

guilty of killing; Captain Vere.

who orders him hanged, is a

complex man essentially doing

his job, who will forever be

The Lit Crit establishment is not unified, of course, and at males anyway) and those who

wish to kidnap them for their own purposes. One interesting aspect is the divergence between white and hlack interpretations of "Huckleberry Finn," for example.

Whereas black intellectuals might have been expected to be class.

Jim and at Huck's less than stalwart backing of the runaway slave, black writers at various times have defended Twain as giving Jim a basic humanity that black characters rarely achieved in 19th-century fiction.

Many critics of Twain, however, fall into the trap of seeing slavery as the central issue of the novel, which it is not, and of faulting Twain, writing in the 19th century, for not holding the enlightened political views that come so easily to tenured professors in the 20th.

Ultimately the problem with fashionable literary criticism throughout most of this century is that it has been ward politics pretending to be thinking. The interpretation of great

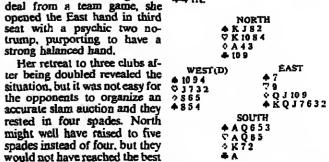
International Herald Trivane

works of art is part of man's process of self-knowledge. At would not have reached the best its best, criticism is a philosoph-That was seven hearts, and it ical journey. As its worst, as this was reached by Mrs. Sim's teammates with the Northinteresting book shows us in to-South cards. Luckily for them, Pass
Pass
Pass
Pass day's universities, it's a bull session in the remedial reading

East did not open the bidding. In a modern game, the only

question would be whether East would open three clubs, four clubs or five clubs. It will be seen that seven spades would have failed.

South made his seven-heart contract slam by ruffing a club in his hand. Trumps were drawn, since the heart jack became marked when the A-Q were cashed. South made one ruff, four trump tricks, live spade tricks and three minorsuit winners, a triumph for the



North and South were vulnerable The bidding: West Pass Pass 2 N.T. Pass

West led the club eight

THE PROPERTY OF THE PROPERTY O adventurous, you can always play golf at one of the championship courses designed by such legends 

THE STATE OF THE S Commence of the second of the

Thailand's great outdoors. Hera

you can sail to tropical islands whose beaches haven't seen footprints for

a hundred tides. Paddle your own

canoe through

tropical fish.

mobile " means climbing aboard an

hilltribe villages.

half-submerged caves into hidden lagoons. And dive to gardens

of coral, coloured by

Here, " upwardiy

elephant and trekking up into the

mountains; or riding a bike between

But if all that sounds a bit too

THE TABLE TO THE PARTY OF THE P

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Try negotiating a completely different kind of environment as Jack Nicklaus, Arnold Palmer and Greg Norman. With the rich bounties of nature, and a wealth of good accommodation, Thailand is the perfect batteries. So the only thing left to do now, is negotiate a little

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of Thailand on (662) 224 6221.

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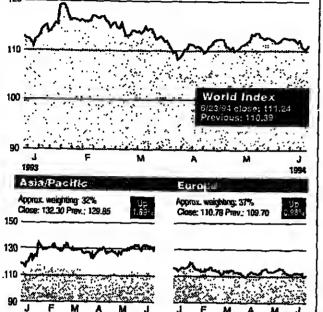




EBEL



THE TRIB INDEX: 111.24 International Herald Tribuna World Stock Index @, composed of 280 intamationally invastable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Australia, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Notherlands, New Zeelsnid, Norway, Singapore, Spake, Sweden, Switzerland and Venezueta. For Tokyo, New York and London, the index is composed of the 20 top Issues in terms of market capitalization, pherwise the ten top stocks are tracked.

	Thu.	Prev.	change		That	Prev.	change
Energy	109,94	109.19	+0.69	Capitat Goods	112.13	111.41	+0.65
Utilities	116.67	115.35	+1.14	Haw Materials	124.58	124.18	+0.32
Finance	116.65	114.88	+1.54	Consumer Goods	97.41	97.51	-0.10
Services	115.83	115.02	+0.70	Miscellaneous	122.51	122.18	+0.27

## Sanofi **Buys Into** U.S. Firm

**Kodak Sells Unit** For \$1.68 Billion

NEW YORK — Sanofi Group, a French cosmetics and health-care company, will buy Sterling Winthrop Inc.'s pre-scription drug husiness for \$1.68 billion in cash, the companies announced Thursday.

The deal represents the first major step by Sterling's parent, Eastman Kodak Co., to remove itself from the drug business.

The deal gives Sanofi, a unit of French oil group Elf Aquitaine SA, a direct presence in the U.S. market. Sanofi also would bolster its presence in Latin America, Southeast Asia and Japan.

Sterling's prescription drug business generated about \$1.2 billion in sales last year. The addition will boost Sanofi's pharmaceutical revenues to more than \$3.2 billion a year.

Sanofi said it might sell parts of the Sterling operation that do not fit its growth strategy. which is built around prescription rather than over-the-

counter drugs.
"This is where we see the future," said Kurt Briner, executive vice president of Sanofi Pharmacenticals.

Sterling Winthrop had operated both its prescription and nonprescription drug businesses in separate alliances with Sanofi since 1991. Their agreement gave Sanofi first refusal rights to buy Sterling's prescription business. As part of the deal, Sanofi

said it would sell its minority stake in Sterling Health Europe, which specializes in over-thecounter drugs, to Kodak for an unspecified sum.

Kodak said it still intends to sell its nonprescription drug business, which has annual O International Herald Tribuna products like Bayer aspirin. made,

## A Twist to EU Infighting New Rail Line Meets Unexpected Delay

By Tom Buerkle

International Herald Tribune
BRUSSELS — On the European list of cross-border transportation projects, the high-speed railway from Paris to Brussels looks too obvious and too vital to question. The line will bring the "capital of Europe"

within virtual commuting distance of Paris, slashing travel time to one hour and 22 minutes from two and a half bours and raising capacity to 14 million passengers a year from 4.5 million now.

What's more, with connections to the north, east and the Channel Tunnel, the project stands to turn Brussels into a high-speed rail bub linking London, Amsterdam, Co-

logne and Frankfurt.
But in a twist on the border problems that often plague Europe's drive toward a single market, the railway's promise is blocked not by national frontiers but by divisions between Belgium's own French and Dutch-speaking

Officials of the southern, French-speaking region of Wallonia are withholding building permits for a 25-kilometer (15-mile) stretch of the Paris-Brussels line until they get guarantees that the connection to Germany, which will stop in the Walloon city of Liège, will be built. "If it ends in Liège, it bas no sense," says Frank Duboisse, a spokesman for the Walloon ministry of public works. "It's a dead end for our region, not an opportunity."

Flemish officials meanwhile have yet to issue permits for much of the Brussels-Cologne line that passes through Dutch-speaking territory, insisting on better soundproof-ing and environmental protection. The standoff has pushed back the planned completion of the Paris-Brussels line by one year, to May 1997, at an added cost of some 3 billion Belgian francs (\$91 million). Etienne Schouppe, the head of the Belgian railways, warned recently that a "bidding war" be-tween the French and Dutch-speaking communities would cause further delay and damage the project's financial viability.

Although Belgium's internal dispute is unique, the resulting delays are not. At their summit meeting in Corfu, Greece, on Friday and Saturday, European Union leaders are expected to approve a massive program of transportation projects, the most visible ele-ment of their efforts to boost Europe's growth and competitiveness. But many of the 11 top priority projects face a multitude of environ-mental, administrative and financial hurdles.

The British government will seek bids this year from private builders for a high-speed rail line from London to the Channel Tunnel, but construction will have to wait another two years for enabling legislation from Parlia-ment, and the link is not expected to be completed before 2002.

Environmental concerns in Austria are expected to delay by more than two years the start of work on a rail-freight link between Germany and Italy via the Brenner Pass. And France and Italy have yet to agree on whether a high-speed rail line from Lyon to Turin should handle truck traffic, a decision that could honst the French tab alone from 18 billion French francs (\$3 billion) to 40 billion. Officials at the European Commission ac-

See DELAYS, Page 12

## Conseco's Bid For Kemper Exceeds GE's

CARMEL, Indiana - Conseco Inc. appeared Thursday to surers, and squee have bested General Electric the expense side." Co.'s bid for Kemper Corp., of-fering to pay \$3.25 billion to acquire the insurance, brokerage and mutual fund company.

The offer from Conseco, which has grown by acquiring !! insurance companies in the past !! years, equaled \$67 a share in cash and stock, compared with \$60 a share in cash from GE Capital Corp. It would represent one of the largest insurance mergers ever.

In Stamford, Connecticut, GE Capital said that in light of Conseco's offer, it would not submit a firm bid for Kemper, AFP-Extel News reported.

Although Conseco has a maracquisitions this year.

port, Connecticut,

"It fits into their style of buy-ing companies, primarily life in-surers, and squeezing them on

A merger with Kemper. based in Long Grove, Illinois, would turn Conseco and its acquisition fund into a company with 9,000 employees, \$85 billion in assets and net revenue and premiums of \$4.2 billion.

Conseco said it had offered \$56 in cash and \$11 in stock for each Kemper share.

The company would issue between 6.6 million and 8 million shares to Kemper's stockholders, depending on the share price just before the merger is

The \$3.25 billion figure is based on the number of fully ket value of just \$1.3 billion, less than 2 percent of GE's, it raised a \$624 million fund for

"Conseco is big enough to Kemper has \$90 billion of life pull this off if they have the insurance in force and is Americash commitments," said Ira ca's seventh-largest mutual Zuckerman, an analyst with fund operator, with 41 funds SBS Financial Group in West- and \$34.5 billion in assets under management.

## Europe's Unisource Buys AT&T Stake

LONDON - Unisource, a Netherlands-based consortium of European telecommunications companies, said Thursday it would acquire a stake in WorldPartners Co., an AT&T Corp, venture, to provide global voice and data communications services to multinational cor-

The deal with Unisource, a partnership among the national telecommunications companies in Sweden, Switzerland and the Netherlands, represents the end of a long search by AT&T for a European partner. In the past, AT&T had talked with Deutsche Telekom, France Telecom, MCI sales of over \$1 billion with and Britain's Energis, but no deals were

The alliance is not a total surprise, as AT&T and Unisource already are jointly developing a pan-European business private network for an association of 30 multinationals.

"Today's announcement attests to the global capability and strength of our alliance," said Simon Krieger, president of World Partners.

The companies wouldn't specify the value of Unisource's investment. Sprint Corp. of the United States, France Telecom and Deutsche Telekom previously said they were combining forces

nications network for voice, data and, eventually, video. MCI Communications Corp. — the

build a seamless international commu-

third major U.S. long-distance telephone company after Sprint and AT&T — then won approval from the U.S. Justice Department to move forward with its international network, initially targeted at busi-

#### ■ Olivetti and Hughes Team Up

Ing. C. Olivetti & Co. of Italy and Hughes Network Systems Inc., a unit of General Motors Corp., said they would offer satellite-based communications systems to businesses across Europe, in one of the world's smallest joint ventures in telecommunications. Erik Ipsen of the International Herald Tribune reported from

## Germany Affirms Its Rate Stance

POTSDAM, Germany -The Bundesbank applied verbal balm to bruised financial markets Thursday but stopped short of cutting interest rates, saying a credible policy would be its best contribution to market stability.

Addressing concerns about possible changes in the basics of Bundesbank policy head-on, President Hans Tietmeyer geting that the Bundesbank has followed for 19 years was still in place, despite bloated M-3 money-supply growth.

"Our M-3 policy is not up for debate," he said after the cen-"I would have thought it was a reasonable tral bank's annual out-of-town outcome," said one transport analyst at a leading meeting in the East German city of Potsdam. 'If you look at it historically, the French

The Bundesbank left unchanged its leading discount rate at 4.5 percent and Lombard rate at 6 percent. The policy-making council also made no decision on the future course of its main money market rate, the securities-reputchase or

repo rate.
We think the official interest rates are at an appropriate level now," Mr. Tietmeyer said. Mild speculation of a rate move in financial markets had

focused on a cosmetic adjust-See RATES, Page 12

#### WALL STREET WATCH

## **Market Terms Befuddle Investors**

state government.

By Jerry Knight

Washington Post Service TASHINGTON - To find out how well people under-stand mutual funds and other investments, researchers for the Securities and Exchange Commission sat down with a group of investors in Richmond, Virginia, a few months back.

"In your own words, bow would you distinguish between a money market deposit account and a money market mutual fund?" interviewer Amy O'Connell

asked the panelists. "I think that maybe a mutual fund would be a little more safe," answered one participant.

By Laurence Zuckerman

is being viewed on Wall Street need only

over in April 1993, International Busi-

ness Machines Corp. stock plunged to a

low of \$41. But since then, the price has

risen almost 50 percent. On the New

York Stock Exchange late Thursday, IBM was trading at \$61.625, down 37.5

Sources: ING Bank (Ampierdam); Indonuer Bonk (Brus

A few months after Mr. Gerstner took

look at the share price.

tional Herald Tribute

EW YORK - Anyone won-

dering how the brief tenure of Louis V. Gerstner Jr. as IBM's chairman and chief executive

"Well, I would think the opposite," another said. "How about you, Julia?" Ms. O'Connell asked a woman who works for the

"I have no idea." Most of the people the SEC asked did understand ordinary mutual funds that invest in stocks, but "money market" investments were another matter.

Confusion between money market accounts offered by hanks and money market mutual funds offered by both banks and investment companies is rampant, the SEC's research revealed.

One basic difference is that the banks' money market accounts are protected by the Federal Deposit Insurance Corp., so

That wins Mr. Gerstner a fair measure

of respect, but he still bas a long way to go. While many strategists and analysts

are touting IBM as a buy, a number of

others have cooled their ardor for the

company, saying the stock cannot main-

I think you probably should take some chips off the table," said David Wu, an analyst at S.G. Warburg & Co. That is

exactly what Jay P. Stevens, an analyst at Dean Witter, has done. He began recom-

mending the stock last summer; last

week, he changed his rating to to neutral

"If you have ridden it up from the 40s,

Big Blue Stages a Rebound Under Gerstner

tain its current growth.

from buy.

depositors cannot lose their money, while money market mutual funds are not insured, regardless of whether they are sold by banks or independent mutual fund companies.

But that distinction has been blurred in the past month because several companies selling mutual funds - including a bank - bave bailed out money market mutual funds that lost money when interest rates took an unexpected jump.

The willingness of fund managers to step in and cover losses may be good for investors in the short term, but federal regulators and financial scholars said it ultimately only adds to the confusion hy

See CONFUSION, Page 13

Both analysts are bullish on the long-term prospects for IBM, and they offered

complimentary reviews of Mr.

Gerstner's performance so far. But the

company still faces major burdles and is

fully valued now, they said.

The stock price today is discounting

a strong '94 and a strong '95," Mr. Wu said. "To make money from here, you have to be sure that '96 will be a good

Under Mr. Gerstner, an outsider who

was wooed from his post as chief at RJR

Nabisco Inc., IBM has tackled many of

See IBM, Page 13

ings; Zurich and New York opening and clos-

#### A 'Positive' Eurotunnel Rights Issue ain are expected to give the issue a fairly warm

LONDON - Eurotunnel PLC SA. operator reception. of the Channel tunnel, said on Thursday it had found huyers for two-thirds of the British part of its massive £858 million (\$1.32 hillion) rights British securities house.

Aggressive selling of Eurotunnel shares and tumbling European stock markets ahead of the issue had prompted fears that a large chunk would be left with the underwriters.

The 3-for-5 issue was launched May 26, at a 25 percent discount to the then-355 pence market British investors took 67.7 percent of the shares, while the remainder of the issue was sold

in the market at 269.46 pence, at a discount to the company's share price. Share analysts said the outcome was fairly

positive and noted the critical part of the issue traffic a week before the issue. The tunnel will was yet to come when results from the continental European portion, which involves mainly French investors, is announced on July 7.

The undersea rail tunnel carried its first freight open to the public in October, but a full-scale

passenger service will not start until next year.

even point in 1998.

The result so far covers just 25 percent of the Alastair Morton, said Eurotunnel hopes to gentotal issue, with investors in Continental Europe erate enough cash in less than two years to be

Meanwhile, in Tokyo, the co-president. Sir

percent discount to the then-355 pence market price, as part of Eurotunnel's £1.6 billion rescue

refinancing to fund it to a projected cash break-

## accounting for 75 percent. Investors outside Brit- able to refinance part of its debt. Latin American Study Cites Productivity Gains

By Erik Ipsen

International Herald Tribune
LONDON — Latin America's debt crisis of the 1980s may not have been such a bad thing after all, according to a study on productivity by the management consultants McKinsey & Co.

The study, being released Friday, concludes that the political and economic changes wrought by that decade have paid off with surprising speed. "Latin America is rapidly closing the gap with the developed countries," said McKinsey's Gustavo Lopetegui, one of the report's authors. "We did

not expect to see productivity increase so dramatically." The report is the result of a nine-month examination of labor productivity in four industries in the region's five largest economies. It reveals, though, that irrespective of the pace of change, Laun America still has a long way to go. It found that on average, productivity in the banking, processed food and steel industries ranged from 29 percent to 37 percent of the levels in the most productive industrialized nations.

Only in telecommunications third of its johs. was the picture markedly brighter. There, the economies of Argentina, Brazil, Colombia, average productivity level only 20 percent below that of the United States, and productivity in the newly privatized telecomed States by a small margin though the authors noted that the U.S. industry itself suffered industries "the way managers from a lack of full-fledged eom- organize their labor force large-

Latin America's lagging productivity lies not with the skills, education or even attitude of labor as much as it does with management and government.

The common wisdom suggests that a lack of labor skills hinders productivity in the re-gion," said Mr. Lopetegui. "But we found that not to be the Recent experience, be says,

has proven that when the incentives are right, productivity can mushroom. Argentina's two privatized telecommunications companies offer the most striking example. In the last four years they have pared employment by 40 percent while increasing the number of phone lines by 60 percent. In the process, productivity in the sector improved from 32 percent of U.S. levels in 1989 to 66 percent Similarly, a combination of

privatizations and prying open markets to foreign producers has seen steel production in the five nations rise by 10 percent while the industry shed nearly a Even more revealing, the re-

port contrasts the recent performance of the state-owned Mexico and Venezuela had an phone giant Telehras in Brazil with that of a private Brazilian phone company, CTBC. The former had productivity at 59 percent of U.S. levels, while the munication industry of Colom-bia actually led that of the Unit-Americans, with productivity at 103 percent of U.S. levels.

The report noted that in three ly explains the lower levels of fragmented and small-scale the banking industry in the five food industry.)

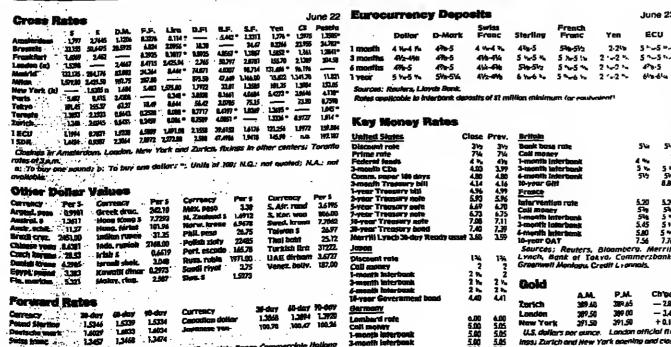
More specifically, the report's authors repeatedly faulted the region's excessively "hi-erarchical" organizational structures, many of which bave more than a dozen management layers. These, the authors said, bave created an internal need for complex bureaucratic procedures, riddled with redundant and unnecessary tasks."

Nowhere, said the authors, is that more the case than in the efficiency.

One of the most encouraging productivity in Latin America." region's largely state-owned reand surprising conclusions of (The exception was the highly the report is that the blame for fragmented and small-scale the banking industry in the five (The exception was the highly tail banking industry. Overall, largest Latin American nations operates at productivity less than 30 percent the U.S. level. The authors, for example, found that employees of Brazil's state-owned banks - who on average are only half as productive as their private-sector brethren - nonetheless are paid three times as much. In the absence of competi-

tion, Mr. Lopetegui said, company managers have little rea-

#### **CURRENCY & INTEREST RATES**



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Herald Tribune

## MARKET DIARY

# Earnings Outlook Weighs on Stocks

NEW YORK - The stock market declined Thursday amid concern that higher interest rates would hurt corporate earnings and lingering worries about the weak dollar.

The Dow Jones industrial average fell 25.68 points, to 3,699.09, its first close below

#### U.S. Stocks

3,700 since May 16. Losing issues outpaced gaining ones by a 2-to-1 ratio on the New York Stock Exchange.

The price of the benchmark U.S. 30-year Treasury bond slipped 2/32, to 86 10/32, taking the yield up to 7.40 percent from 7.39 percent Wednesday.

Financial markets continue to be buffeted by sentiment that the weak dollar would prompt the Federal Reserve Board to raise rates after its policy-making Federal Open Markets Committee meets on July 5 and 6.

Higher interest rates discourage stock investors because they could slow the economy, hinder corporate profit growth, raise corporate borrowing costs and make stocks less attractive than some fixed-income investments. Many analysts are already

lowering their earnings expectations for several companies. "There's nervousness about the likely level of economic activity in the second half of the year," said Christie McClellan,

managing director of Robert-

son, Stephens & Co. "It's the

turn into sellers in a moment." Automobile and computer shares led the stock market's fourth slump in the past five

Auto stocks were hit by concern that June sales would weaken from May, partly in response to this spring's rise in interest rates. "Whenever the market gets an interest-rate cold, the auto group catches pneumonia," said David Healy. an analyst at S.G. Warburg. General Motors fell 1% to 50%, Ford lost 1 to 57%, and

Chrysler dropped % to 47%. Technology companies fell amid doubts about the industry's earnings prospects after Lotus Development released a bearish earnings forecast this week. Lotus fell 2 11/16 to 33% on Thursday.

Cisco Systems was the most actively traded over-thecounter stock, falling 2½ to 21. A SoundView Financial Group analyst downgraded the maker of computer networking products to a hold from a buy and said Cisco faced increased competition that could hurt its prof-

Computer disk drive makers fell after an analyst at Montgomery Securities chopped his earnings estimates for three leading companies. Seagate Technology lost 11/4 to 19, Quantum Corp. fell 11/4 to 113/4. and Conner Peripherals shed \*

#### RATES: Bundesbank Holds Firm

#### Continued from Page 11

ment to either the Lombard rate or the repo rate to aid a weak dollar and give a boost to nervous German bonds and shares. German share and bond mar-

developments carefully. kets, recovering gradually from sharp falls at the start of the "I have noted Lloyd Bent-Foreign Exchange

#### week, registered only mild dis-

appointment when no rate cut was delivered. But, as expected, the Bundes-

hank gave strong verbal aid to markets by stressing that current inflation fears were unfounded and that a weak dollar was not in Germany's interests. rencies.

Speaking just two weeks before a summit meeting of Group of Seven officials in Naples, Mr. Tietmeyer made clear yen from 101.00 yen. The dollar that Germany also backed U.S. also ended at 1.3505 Swiss views that inflation in America was under control.

Lloyd Bentsen said on Wednes- rose to \$1.5385 from \$1.5320.

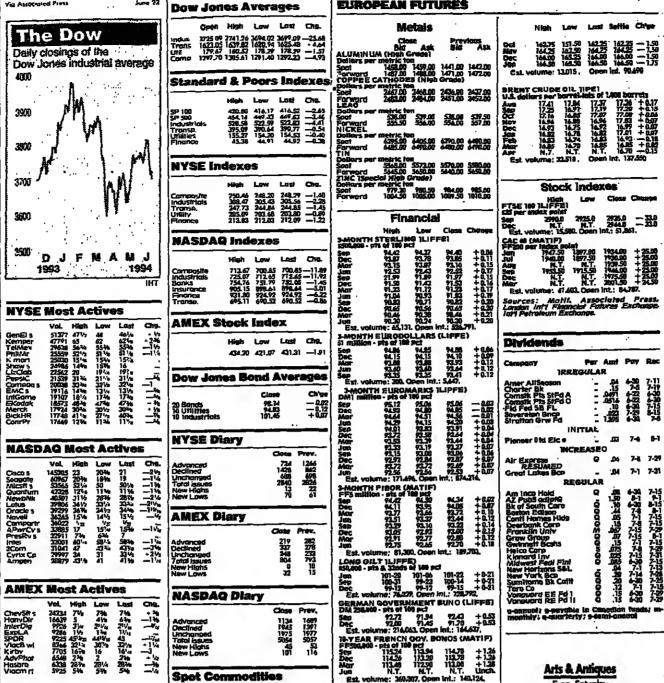
day that he was concerned about the level of the dollar, which has fallen to around 1.60 Deutsche marks from 1.64 DM late last week, and said Group of Seven officials were watching

sen's comments," Mr. Tiet-meyer said. "Of course the Bundesbank is not interested in a weak dollar."

interested in a currency rate stability, which is based on fundamentals," he said.

closed mixed against major cur-

It fell to 1.6040 Deutsche marks from 1.6054 DM Wednesday hut rose to 101.35 francs, flat from Wednesday, but slipped to 5.4830 French U.S. Treasury Secretary francs from 5.4853. The pound



#### "The Bundesbank is basicalinterested in a currency rate DELAYS: Europe's Transportation Plans Derailed by Host of Problems

#### Continued from Page 11

**Market Sales** 

In New York, the dollar knowledge the problems but say their program for trans-European networks is helping to cut delays, "That is one of the reasons wby we have initiated the exercise, to try to inspire the member states to overcome the difficulties," said Lars Mitek, an aide to the economics commissioner. Henning Christophersen, who is steering the network program.

mined the commission's goal of launching a big new borrowing program to mobilize support for the networks and fill a funding shortfall estimated at 5 billion European currency units (\$6 billion) out of 32 billion Ecus to be spent in the next five

Despite continued appeals from the commission president.

Jacques Delors, EU finance

But the delays have under-ministers firmly rejected bor-federal minister with overall re-nined the commission's goal of rowings this month. They said sponsibility for the rail project. there was no shortfall, given the slow phasing-in of construction and prospects for raising private capital.

"The difficulty is not getting the financing," said Italy's fi-nance minister, Lamberto Dini. "The difficulty is getting the planning and the authorization from local authorities."

sponsibility for the rail project, will meet with Flemish and Walloon authorities July 1 to try to broker a solution to the regional conflicts holding up construction of high-speed

Contact Fred Ro

Tel: (33 1) 46 37 93 91

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lines. Pierre Forton, the director general for ground transport under Mr. di Rupo, predicted an agreement would be reached In Belgium, Elio di Rupo, the

## U.S./AT THE CLOSE

### Maker of Peanut Butter to Cut Jobs ENGLEWOOD CLIFFS, New Jersey (AP) - CPC Internal onal Inc. the control of the con

tional Inc., the maker of Skippy peanut butter, said Thursday it tional Inc., the maker of Skippy peanut butter, said Thursday it would close plants around the world and cut 2,600 jobs, or about percent of its work force, in a major restructuring.

The company said the restructuring would reduce second quarter profit by \$227 million, or 92 cents a share. CPC, one of the largest makers of processed foods in the United States, carned \$116 million, or 76 cents a share, in last year's second quarter.

All of the plant closings will be in CPC's consumer foods

All of the plant closings will be in CPC's consumer foods business, but no decisions bave been made on which facilities will be shut down said to be shut down and a said to be shut down as the said to be shut down, said a company spokesman.

#### Delta and Aeromexico Form Link

ATLANTA - Delta Air Lines Inc. said Thursday that it and ATLANTA — Delta Air Lines Inc. said Thursday that it 2rd Aeromexico had proposed a partnership for code-sharing and bloc-space arrangements, subject to government approval.

Delta said that beginning Sept. 12 it would purchase seats on Aeromexico flights between Dallas-Fort Worth and Mexico City, while Aeromexico would purchase seats on Delta flights between Atlanta and Monterrey, a new Delta route.

On Sept. 25 Aeromexico will begin new service between Atlanta and Mexico City, and the two carriers will begin purchasing seats on each others' flights in this market.

#### Durable-Goods Orders Rise 0.9%

WASHINGTON (AP) — Factory orders for big-ticket items surged 0.9 percent in May, with a big jump in aircraft and defense

goods leading the way. The May increase, after a scant 0.1 percent rise in April. was

reported Thursday by the Commerce Department. Most analysts had expected orders to increase far less.

Some economists said the advance, the ninth in the last 10 months for durable goods, signaled that the economy may not be slowing as much as earlier statistics indicated. Others, pointing to the volatility of military and since for each analysis. the volatility of military and aircraft orders, said the rise was in line with moderate growth.

#### Official Denies Enhancing Nicotine

WASHINGTON (Bloomberg) — Thomas Sandefur, chairman and chief executive of Brown & Williamson Tobacco Corp., said Thursday that his company did not manipulate nicotine levels in

its cigarettes to keep smokers addicted. Tobacco companies have substantially reduced the amount of nicotine in cigarettes in the last 40 years, Mr. Sandefur told a

House of Representatives subcommittee. David Kessler, the head of the Food and Drug Administration. accused Brown & Williamson on Tuesday of manipulating nico-

#### Nintendo to Escalate the Video War

CHICAGO (Bloomberg) - Nintendo of America Inc., moving to counter a threat from Sega of America Inc. in the video-game industry, said Thursday that Acclaim Entertainment Inc. would introduce Nintendo's first 64-bit video game in the fall of 1995.

Nintendo said its 64-bit Ultra 64 system, now being developed with Silicon Graphics Inc., would retail for about \$250.

Acclaim's 64-bit game, "Turok, Dinosaur Hunter," will be the company's first product to use characters from Valiant Comics.

#### Chrysler Tops Automotive Cost Study

DETROIT (Bloomberg) — Chrysler Corp. has the lowest costs of any North American automaker, but the U.S. plants of Nissan Motor Corp. and Toyota Motor Corp. are still more productive than any run by Detroit automakers, a study issued Thursday said. General Motors Corp. showed the most improvement, both at cutting costs and increasing manufacturing efficiency in the two years since the last report by Harbour & Associates, a manufacturing consulting firm. Chrysler was also by far the most profitable of any North American automaker on a per-vehicle basis.

While Ford Motor Co. continued to be the most productive Detroit manufacturer, its product-development costs allowed Chrysler to become the lowest-cost producer.

#### For the Record

First Data Corp. raised the price of its offer for Western Union Financial Services Inc. to \$660 million. (Reuters)

Morton International Inc. is splitting its stock 3-for-1 and raising its dividend la percentage of the Federal Express Corp. is changing its name to FedEx, which it says has become part of the English language. (Bloomberg)

# **WORLD STOCK MARKETS**

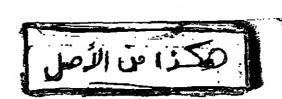
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EUROPE

## **OECD Tells Dutch** To Trim Benefits

By Carl Gewirtz

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Tu May

International Herald Tribune
PARIS — In unusually frank
terms, the Netherlands was admonished Thursday to live up to its reputation for frugality and reduce the generosity of its welfare state.

The state state of the state of Both the tone and timing of the advice from the Organization of Ecocomic Cooperation and Development appeared aimed at putting the Parisbased research group in the role of a Dutch uncle, stiffening the backbone of the government elected last month to pursue more vigorously earlier reform efforts whose results have been only "modest."

OECD officials acknowledged that the report had been published with unusual speed to influence the new government. The study was approved for publication June 13. Usually there is a two-month delay between approval and publication.

The OECD insists it is not urging the Netherlands to abandon its "cherished notions of equity, fairness and solidarity" but only to "better balance social equity and economic efficiency."

"However commendable oo

social grounds," the report said,

the current approach "may have become economically uo-sustainable, with uoemployment benefits now cauog up nearly 10 percent of gross domestic product — a level
"markedly higher than in surrounding countries."

The Netherlands is given a

high score for its overall economic policy, which has kept the guilder strong and interest rates among the lowest in Europe.

The report sees an urgent need for a "wide-ranging reform of the labor market and welfare system." It cited an overall tax burden that is already one of the highest in Europe and a level of unemployment, broadly measured at 26 percent, which is also extremely high by international standards.

The goal should be to reduce labor costs, redress the incentive balance between workiog and not workiog, and improve labor force skills and competencies," the report stated, and access to social security oceds to be "restricted to those who can prove that they are entitled to a benefit."

The current disability plan "is unique" because of its low eligibility conditions and generous payouts, the report said.

## Germans Turn Cautious

#### **Stock Investors Braced for Turbulence**

By Ferdinand Protzman New York Times Service

BONN - Prices on the Frankfuri Stock Exchange have been in retreat since higher U.S. interest rates created turmoil in global bood markets in mid-May. That turbulence has prompted most experts to shift to a defensive strategy. Few expect any recovery to

begin until the autumn.
Until then, they see a volatile market with interest rates remaining the driving force. Some analysts are cautiously recommending the banking, insurance, chemical and steel

"I'm oot as pessimistic as some analysts." said Hans-Joachim Pilz, head of research at M.M. Warhurg & Co., a private bank based in Hamhurg. "I think we will see prices turning higher io the autumn. But the German stock market always reacts to the German bond market, which has been a bloodbath of late."

The glum mood cootrasts with the optimism that reigned while stocks pushed higher in the first three months of the year. Recent statistics, such as the 2.1 percent year-on-year rise in gross domestic product in the first quarter, would seem to confirm that view. But investors, rather than being reassured, fear that growth could heat up inflation.

The other positive fundameotals have been overshadowed by developments in the bond markets, which touched off the downturn. A week after the U.S. Federal Reserve raised interest rates for the fourth time this year on

May 17, stocks throughout Europe began

Frankfurt's 30-issue DAX index fell 7.2 percent in the oext nine trading sessions. It finished at 2,022.10 on Thursday, well down from the 2,266.68 at which it began the year. A plethora of financial scandals involving some of Germany's most widely known banks and companies have led to a capital outflow.

"These scandals à la Schneider bave undermined confidence in German stocks, particularly among foreign investors," said Albert Morillo, the head of European equities trading at Scottish Widows, one of the leading British pensioo fund companies. "It is the sort of thing one didn't think happened in Germa-

Dr. Jürgen Schneider AG was Germany's largest property developer until it filed for bankruptcy in April. Its namesake fouoder vanished, leaving debts of around \$3 billion.

The latest scandal arrived this mooth, when Balsam AG filed for bankruptcy after its board was arrested on suspicioo of massive fraud. The company owes 50 German and foreign banks about \$900 million.

The prospect of further increases in American interest rates has also been pulling interoatiooal capital out of the German stock market, with much of it moving toward dollar- or yen-denominated instruments. Investors moving funds ioto loog boods have added to the downward pressure.

## **Bank Chief** In Portugal Resigns

LISBON - Miguel Beleza resigned Thursday as governor of the Bank of Portugal and will be replaced by Antonio de Sousa, the secretary of state for finance, a government spokesman said.

The central bank's policy of maintaining exchange rate sta-bility is crucial and will be unchanged despite the change of governor and other board members, Joao Costa Pinto, one of two oew deputy governors at the hank, said.

Mr. de Sousa, 39, has already spent years in important posi-tions in successive center-right governments headed by Prime Minister Anibal Cavaco Silva.

Three other members of the central bank's board also resigned Thursday — Antonio Jose Bagao Felix and Antonio Palmeiro Ribeiro, who were vice governors, and Jose Veloso, who was a director.

Bank of Portugal sources said there had been increasing conflicts between Mr. Beleza and other members of the bank's policy-making board in recent months as speculators attacked the escudo, forcing the bank to raise interest rates to defend the currency.

Dealers in financial markets bere also said there appeared to be differences on exchange rate and interest rate policy between the Finance Ministry and the Bank of Portugal.

Dealers said the central bank stepped in to buy escudos after the management shake-op in an effort to stabilize the currency.

The dollar finished at 165.78 escudo Thursday, down from 165.83 oo Wednesday.

"This intervention is one way the central bank is responding to speculators," one dealer said. (Knight-Ridder, Reuters, AFP)

#### Investor's Europe Frankfurt DAX FTSE 100 Index CAC 40 3500 NA 2300 2400 ---2000 1300 -ZOO JEWAUJ 1900 J.F.M. A.M.J. 1890 J. F.M. W.J. Exchange. Thursday. Change Close : AEX 387.38 882.74 11.21 7,382.07 7,316.16 40.90 | Brassels | Stock Index | 7,382,97 | 7,315,16 | 40,90 | | Princkfurt | 9AX | 2,822,10 | 1,994,42 | 11,39 | | Erankfurt | PAZ | 776,13 | 762,40 | 41,80 | | Relativit | HEX | 1,574,50 | 1,651,94 | 40,78 | | Control | Principal Venes 80 | 2,291,40 | 2,398,10 | 0,77 | | London | FTSE 100 | 2,942,42 | 2,950,40 | 0,61 | | Matchini | General pitter | 304,24 | 297,35 | 42,15 | | Million | MIB | 1,142,90 | 1,117,90 | 42,24 | | Parks | DAC 80 | 1,339,102 | 1,917,04 | 1,15 | | Blockfullin | Allistisvandourt | 1,723,61 | 7,64,83 | 40,54 |

#### Very briefly:

 Nuclear Electric PLC, a power plant owned by the British government, plans to trim 2,000 jobs over the oext three years as a cost-cutting measure.

• Klockner-Humboldt-Deutz AG predicted an 8 percent rise in 1994 sales from last year's 3.25 billion Deutsche marks (\$2 billion). Rising export demand for engines and agricultural machinery have already pushed sales up 9 percent this year.

 TSB Group PLC said a recovering British economy believed the bank slash its bad-dept provision in half, allowing it to post pretax profit of £226 million (\$346 million) in the six months to April 30, compared with £80 million in the year-earlier period.

• Thorn EMI PLC agreed to sell the defense operations of its Thorn EMI Electronics unit to Thomson-CSF of France. The sale covers about 40 percent of Thorn's defense operations.

 E Merck has taken a 10 percent stake in Phillips Electronics NV's Flat Panel Display Co. unit, which produces liquid crystal dis-

 Hoogovens NV is joining a lawsuit against a European Commission plan to give fresh subsidies to the state-owned Italian steelmaker Ilva SpA.

AP, AFX, Bloomberg, Renders

#### Newspaper War In U.K. Hits Share Prices

LONDON - Newspaper stocks plunged Thursday after The Daily Telegraph slashed its cover price by 30 percent, intensi-tying a price war declared by Rupert Murdoch, owner of The Times.

"It's a bombshell for the price structure of the national oewspaper industry," an industry analyst, Derek Terrington, said. Telegraph shares sank 36 percent, and analysts cut their forecasts for its profit by around 25 percent.

The Independent fol-lowed The Telegraph with a one-day cut hours later. Analysts expect a permanent reduction in that newspaper's price too. Its shares are not listed, but stock in Mirror Groop Newspapers PLC, which dropped nearly 13 percent

The domino effect is expected to increase pressure Shares in its parent, United Newspapers, also fell 13 percent. Daily Mail & General Trust, owner of the Daily Mail, fell almost 10

## Rothmans to Close 2 Factories as Profit Slumps

Rothmans International PLC reported a ures include a one-time pretax charge of 27 percent slump in pretax profit and said £31.2 million for the reorganization of the it would close factories in Berlin and The company in October, which saw the

Hague to stay competitive in Europe.

Pretax profit fell to £343.6 million (\$526 million) in the year ended March 31 after one-time charges, compared with £470.7 million a year earlier.

But its annual operating profit rose 5 percent to £438.7 million, supported by a pickup in cigarette sales in fast-growing Asian markets despite a sharp decline in its European tobacco business.

**Inquiry Clears** 

U.K. Music Firms

LONDON - After an inves-

tigation lasting more than a

year, Britain's anti-monopoly

commission cleared the music

industry Thursday of charges

that it had fixed prices of com-

trolled 70 percent of the market

and one big retailer also had a

monopoly, the industry was oot

pact disks.

Compiled by Our Staff From Dispatches

Rothmans, whose brands include Dunhill and Rothmans, said its earnings figgroup's luxury goods interests spuo off into Vendome Luxury Group PLC. Profit also included a charge of £123.8 million for cost-cutting and changes in its European

> Rothmans said total sales increased by 3 percent to £2.49 hillion, reflecting currencv exchange gains. Rothmans said it would pay a full-year

> > be said.

Continued from Page 11

creating the impression that

when money market mutual funds say that investors run the

risk of losing money, they doo't

The report said that although said George Bentsen, a banking were prompted by nousual cir-

professor at Emory University in

Atlanta. "Almost oo one has lost

money in a deposit-like instru-

ment, so they begin to think that everything is guaranteed."

really mean it.

CONFUSION: Deposit Account or Mutual Fund?

money in a mooey market fund,

Recognizing that risk, the

mutual fund companies that

cumstances and they wouldo't

Mooey market fuods got

their start in the late 1970s,

when federal laws limited the

occessarily do it again.

tors will sue if they ever do lose check.

oet dividend of 13.2 pence per share, compared with 11.5 pence a year earlier,

The worldwide volume of Rothmans' cigarette sales was 8 percent lower than last year, mainly because of lower sales in Europe, with France and Britain showing the largest declines, the company said.

As part of the reorganization of its European businesses, the company plans to close two of its plants in Germany and the Netherlands and transfer production to two British factories and to its second Dutch plant at Zevenaar. (Bloomberg, Reuters, AFX)

Money fuods take investors'

mooey and invest it mostly in

short-term debt of other com-

carn nigher interest rates by get

are putting themselves into a li- tors the ability to take out their

ability situation," where inves- money simply by writing a

## IBM: Gradually, Gerstner Engineers a Turnaround

Continued from Page 11

the structural problems that helped the stock price collapse from a high of \$139 in 1991. Operations have been cut back, the pricing of software has been revamped, and new product

"People are putting money bave bailed out moocy market funds almost funds receotly have issued as if they were insured deposits," statements saying their actions a little more safety, while others panies and the government. Some funds invest only in govlines have been introduced. Most important, the drastic decline in revenue from IBM's ting into corporate ootes, real seems to be under control. But estate loans and other riskier everyooc, includiog Mr. Gersiner, agrees there is oo chance of a turnaround in The success of moocy market

The commission found vigorous competition among the five big names — EMI Records, PolyGram, Warner, Sooy and lyGram, Warner, Sooy and BMG — and about 600 inde
Mr. Bentsen warned that fund interest that banks and savings and loans could pay oo deposit accounts. Wall Street lured billions out of banks by creating federally instred accounts payone product that will hurt IBM, accounts that offered higher interest based on the market rate for sbort-term investments.

But he said he was worried buy the stock and said that with that big structural changes in help from a strong U.S. econothe way the company operates could lead to some disruption. For example, IBM is reorganizing its sales force, moving to a system centered on specific in-

dustries rather than one based on geographic regions. "A rational man would say that certain accounts will be lost," Mr. Still, there are those who hold

the opposite opinion. Steve Milunovich, an analyst at Morgan Stanley, said he was oot keen on IBM until this year, after the company reported a 6 percent rise in first-quarter revenue, adjusted for the sale of a subsid-

my it could rise to \$75, "My feeling is that it will probably keep going for a while," he said.

If the company maintains revenue at the same gross margins, be reasoned, \$7 hillion in expense cuts in the next three years would fall directly to the bottom line. Even if the market were to "get ugly," he said, IBM would still perform well relative to other computer stocks.

Yet Mr. Milunovich is oot as sanguine about IBM's longterm prospects uoder Mr. Gerstner. "The company is still lacking focus," be said. "It still has a one-stop shopping ap-Now he is urging clients to usually the best product wins."

## Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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## Philippines' Easing On Investments Risks Some Jobs

MANILA — An executive order by President Fidel V. Ra-mos allowing more fireign involvement in Philippine industry is a major step toward luring investment, though it could cost inbs in protected industries, an-

alysts said Thursday,
Mr. Ramos nn Wednesday ended restrictions that limited foreign equity in many indusnow may raise their equity tn 100 percent.

Industries affected by the

#### Timber Tycoon To Sell Shares

JAKARTA -- The Indonesian timber tycoon Prajogo Pangestu said Thurs-day he planned to sell some shares in Construction & Supplies House Bhd., the Malaysian huilding supplies company he agreed to take over this week, to raise

\$1 billion. "Certainly, some of the shares will be sold, but it will depend on the price," Mr. Prajogo said after meeting with President Su-harto of Indonesia and other government officials.
"At the moment, we have targeted to raise \$1 billion

this year." Under the takeover deal, Mr. Prajogo will inject some of his timber assets into Construction & Supplies in return for a controlling stake in the company.

cessing, tourism, most service sectors, appliance manufactur-ing and insurance.

The sectors from which foreign investors will be excluded are licensed professions such as medicine and accounting, the media, retailing, private securi-ty agencies, small-scale mining, cooperatives, marine resources

and trading m rice and corn.
"It will be looked upon very, very positively by investors serinusty looking at the Philip-pines," said Raphael Manalaysay, research manager of

Croshy Securities.

Noel Reyes, research chief of Dharmala Securities, said the order could increase unemployment, which reached 11 percent of the work force of 26 million in April. "There will be some Filipino companies that may close because they are already weak, so this order may hit our employment in the short term."

he said. "It's about time we test whether local companies can stand on their own," Mr. Reyes

Mr. Manalaysay said struggling industries would have to take on foreign partners or merge with rivals to survive.

Raul Concepción, president of the Federation of Philippine Industries, said his organization would appeal the order. He said the government should extend its deadline so that local industries could seek protection from foreign competition.

The order takes effect Oct. 24. It follows a series of other measures that included liberalizing foreign exchange transactions, revising tax laws and opening the country to foreign

## Oil Forges Gulf-Asia Business Ties

Asian countries were implementing poli-

cies of privatization, liberalization and

deregulation in oil.

By Michael Richardson

International Herslet Tribune
SINGAPORE — Asia's increasing dependence on the Middle East for nil is opening new opportunities for husiness links with Gulf suppliers, including major investments in new refinery capacity in Asia, oil company officials and ana

As Asia's demand for Gulf oil rises while its own reserves dwindle, Middle East oil companies are looking for investment projects in Asia, such as petro-chemicals, refining, product marketing and even gasoline stations.

National Iranian Oil Co. will send a delegation to Vietnam next month to study the feasibility of building that country's second refinery, with a capacity of about 100,000 barrels a day. Kuwait Petroleum Corp., which start-

ed a chain of gasoline stations in Thai-

land in 1989, recently completed a study

of additional investment opportunities in major Asian countries, Khaled Rashid Haroon, a senior manager, said. While he did nnt give details of specific projects, Mr. Khaled said that most

As a result, Asia is seeking joint ventures in refining and other areas with oil-exporting states "where long-term supply of crude oil is secured in return for granting access to domestic markets for joint venture partners," he said.

Mr. Khaled was speaking at a recent oil conference in Singapore co-spon-sored by the International Herald Trihune and the Oil Daily Group.

In March, Saudi Aramco, the Saudi Arabian state oil company, bought a 40 percent holding in Petron Corp., the refining and marketing arm of Philippine National Oil Co., for just over \$500 mil-

Analysts said that under a mutually agreed crude oil supply contract, Petron would receive 90 percent of its requirements from Aramco, up from around 55 percent. Aramco also promised to make available at least \$300 million for expansion and upgrading ni Petrnn's refining

capacity.

The deal with the country that has the

world's largest oil reserves "effectively gives Petron preferential access to crude in times nf supply tightness," said Mon-ico V. Jacob, the corporation's chairman. The partnership also gives Petron access to new refining technology and international information networks as well as

capital for expansion, he added.
The Petron acquisition is Aramco's second in East Asia. It currently supplies as much as 200,000 harrels of oil a day to a large refinery owned by the Ssangyong group in South Korea. Aramco has a 35 percent stake in the refinery.

Aramco is also holding talks with Sinochem, one of the leading Chinese state oil firms, on a possible joint refinery in

China's Shandong Province.

East and South Asian countries depended on the Gulf for nearly 49 percent of their oil supplies in 1992. Fereidun Fesharaki, director of the

program nn resources at the East-West Center in Hawaii, said this proportion would rise to 62 percent by the end of the decade, when the region would need an additional 5.4 million barrels a day from the Middle East to meet its economies'

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## Japan Raids Firm in Insider Investigation

■ Trade Talks Called Off

kizawa canceled talks sched-

uled for the weekend with U.S.

Trade Representative Mickey

Kantor as a new political crisis

threatened the government,

Agence France-Presse reported.

TOKYO - The Securities and Exchange Surveillance

Commission on Thursday raided the Osaka headquarters of Nippon Shoji Kaisha Ltd., which is under investigation on charges of large-scale insider

trading in its shares. The raid represented a heightening of the investigation, the commission's first into insider trading since it was set up two years ago in the wake of a series of stock-market scandals.

The commission, which confirmed it was carrying out the investigation after the drug company disclosed the inquiry over the weekend, raided more than 10 nther locations across Japan in connection with the case, officials said.

homes of employees and several that at least 10 of its employees hours after the opposition Lib-branch offices of the company, also are suspected of insider eral Democratic Party lodged a including those in Tokyo and trading. Nagoya, a spokesman said.

Nippon Shoji, Japan's fourth-largest drug wholesaler, said Sunday that 175 employees, including several top execuinstead had to withdraw it from tives, had sold shares in the 10.000 hospitals across the company in October 1993 country. (AFP, Bloomberg) shortly before the government issued a warning that several people had died after taking one of its products, Sorivadin, a drug for a skin condition.

The employees sold a total of 386,200 shares, and at least 23 of them have admitted having acted nn the basis of nonpublic information.

Eisai Co., which was also celed," a spokesman for the tions services.

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Those locations included marketing the drug, has said Foreign Ministry said a few no-confidence motion against Prime Minister Tsutomu Hata.

Nippon Shoji, which had big expectations for the drug and a Mr. Kakizawa gained the sales target of 1.5 billion yen cabinet's authorization Tues-(\$15 million) for the first year. day to travel to the United States to seek a breakthrough in bilateral trade talks, though he said at the time that a final decision about the trip would depend on political develop-Foreign Minister Koji Ka-

ments in Japan.

The United States, meanwhile, was reported to have dropped its demand that Nippon Telegraph & Telephone Corp. be included in negntiations on Japanese government "The meeting has been canpurchases of telecommunica-

#### Very briefly:

 Japan's largest nationwide supermarket chain operator. Daiei Inc., plans to set up a joint venture to operate 4,800 retail outlets across China.

• Vietnam is to increase taxes by 10 percent this year to try to close its widening budget deficit, a Finance Ministry official was quoted as saying Thursday.

 The average Japanese family spent 0.8 percent less money in April, the third straight monthly decline, because of lower prices

for imported rice, according to a survey. • Toshiba Corp. said it and IBM Japan Ltd. were considering building a second joint thin-film transistor liquid crystal display factory to meet rising demand.

 Creative Technology Ltd. of Singapore and AST Research Inc. of the United States said they had made a development and marketing agreement for multimedia products.

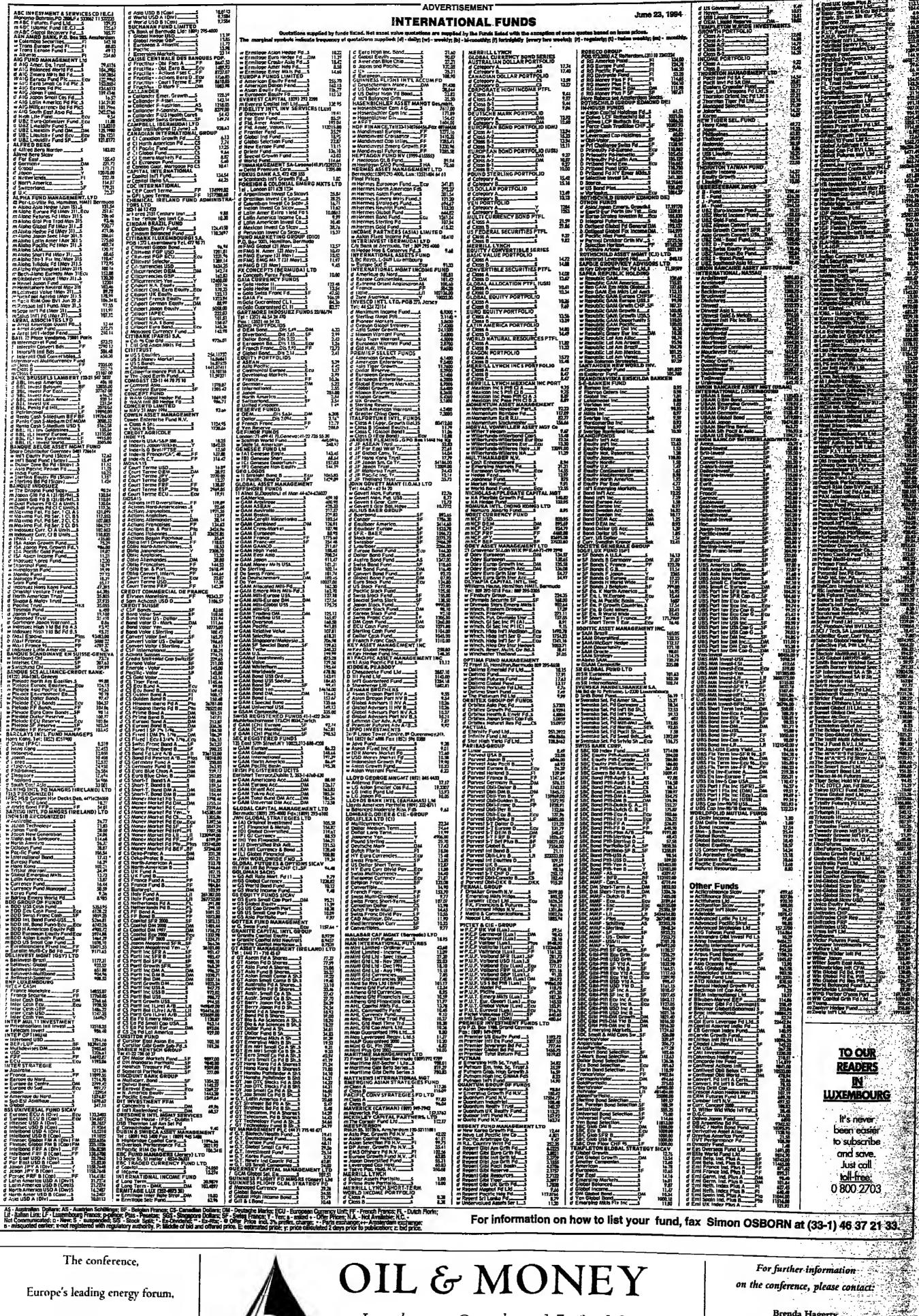
Boeing Co. said Xian Aircraft Co. of China won a contract to supply rear fuselage sections for the Boeing 737 beginning in 1997. • William E. Simon & Sons Ltd., a company specializing in Asian-Pacific investments, will acquire options for a minority stake in Kosan International Holdings Ltd., an electronics maker in Hong Kong, in exchange for a loan to Kosan of between \$15 million and

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From now on, AG shares will be known as Fortis AG, and AMEV shares will be known as Fortis AMEV.



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# auropean Union

Hopefuls / The Queue Gets Longer

## **Vote of Confidence:** Those Who Want In

the European Union haa received major votes of support from countries outside the Union. One after the other, Europe's non-EU governments and their citizene, separately or together, are expraasing an unprecedented will-Ingness to join the EU.

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One of these votes made the front pages. In a whopping two-to-one majority, Austrians voted in favor of joining the Union, Munich's Süddautsche Zeitung called the vote "both the expression of and catalyst for a groundswell of pro-EU senti-

Other "votes," although equally significant, received less attention in the world media. At a mini-summit, the Visegrad Four - the Czech and Slovak Republics, Hungary and Poland - rapeated their demand for fast-track admission to the EU. Tha countries had new, compelling arguments to advance for their blds; their strongly expanding economies and exports and growing ties to the EU.

These successes underpin the region's new confidance in its dealings with the EU. When we join the EU, we will do so as a country capable of making a positive contribution to the Union's further development and not as one further burdening its finances," says Vladimir Dlouhy, the Czech Republic's minister of Industry and trade.

While the Central and East Europeans were voic-Ing a change in attitude, tceland's Social Democrats were manifesting a surprising change of heart. At their convention, the party leader and foreign minister, Jon Baldvin Hannibalsson, stated that Iceland would "probably apply for admission to the EU by the end of the year. To overcome diehard local resistance, Mr.

in the taet few weeks, Hannibalsson is reportedly counting on the "me-too effect." Iceland's Nordic neighbors Sweden, Norway and Finland have recently reached agreement with the EU on admission, and their referendums on ratification ara set for autumn. Recently, key political parties in all thrae countries swung behind the campaign for a Yes

> Relegated to a page filler was the Swiss government's decision to mount yet another full-scale campaign to overcome popular resistance to membership in the EU. This move came on the heels of an announcement by Llechtenstein that it was "uncoupling" its EU mambership aspirations from those of Switzerland, its as-

> Not making the papers at all was the European Commission's positive evaluation of the membership bids of Cyprus and Malta.

> Each of these groups of applicants - the Northern and Central European "haves," the Central and East European "quick risers" and the Mediterrangan-belt "tourist paradises" - has its own set of reasons for joining the EU, and each has its own method of going about it. But all of the 11 countries currently seeking membership - and the 15 others considering it - share a basic perception about the

"Non-member countries have a vantage point when it comes to making an oblective judgment as to how well the EU is working," says Kurt Biedenkopt, prime minister of the German state of Saxony, "as they can view its workings in its entirety. I think their judgment is that the EU is a highly functional, Integrated market."

For many of the applicant countries, the crucial difference membership would bring is a voice in the



Much has been written about the growing pains of the European Union and its single market. But what hasn't gotten as much attention is where the EU is working. The removal of customs barriers, standardization of products and practices, free competition in formerly closed sectors, the lifting of tariffs and exchange controls all these have transformed the way the EU does business.

EU's deliberations. Other recently stated. Undeterred

by waves of protectionism

and other forms of "national

egocentrism," these coun-

tries have steadily whittled

away at quotas and conven-

Today, the EU mainlains

Terry Swertzberg

association egreements with

countries ranging from

Latvia to Israel.

Institutions / Creating a True Union

### **Parliament Seeks** A Delicate Balance

For many, the European Perliament hes alwaye seemed like a large and iush political backwater. Now, however, the stereotype is changing. The European Pertlament could soon mean more than legislative powers largely limited to reviews, amendments and vetoes. The members of tha new European Parliament, which convenee in Strasbourg on July 19, are, as never before, in a poaltion to bring about this transformation.

The results of European parliementary voting this month again proved, to paraphrase the late U.S. House Speaker Tip C'Neill, that all politics is national. The results, es in the previous three European parliamentary elections dating back to 1979, were difficult to characterize on a pan-European basis,

In most countries, the results were explained as a reaction to the existing national government rather than a mandate for European Union policies. The results were interpreted as good tor the right and bad for the left, yet Britain's Labor Party Is going to be the largest national bloc and, overall, Socialists gained at least a dozen seats and will have more than 200, the most of any stripe on the political spectrum, in the 567-mem-

ber European Parliament. Much of the uncertainty about the European Parliament can be blamed on its inherent structural problems. It has never been a true legislative body in the sense of most of the world's democratic parliaments; its primery legislative power comes from amendments and vetoes, rather than initi-

ADVERTISING SECTION

ating new law. The national governments of the EU'e member countries have been chiefly interested in their own priorities and in trying to use European issues to keep themselves in office. Naturally, they have been reluctant to share power with the EU, since that would weaken their own governments and undermine their national sover-

This has not been lost on the voters. Until the European Union becomes more important in their lives and the European Parliament assumes more power in determining EU policy, the declining turnouts in European parliamantary elections - down to 56.6 percent this month - will probably continue.

Some skeptics believe the European Parliament cannot gain credibility with the public as a democratic institution until it is able to initiate legislation and until its members are elected on e EU-wide basis instead of country by country; on this point, the 12 member countries cannot yet coordinate their voting rules or even the day on which the balloting is

Continued on page 19

#### Communications / The New Countdown

## Telecoms Anticipate 1998 Deadline

This time, it is 1998 and telecommunicationa that are mobilizing the EU's forces and reshaping its markets. Nineteen-ninety-two has come - and stayed. Nineteen-ninety-eight is at hand, and the similarities with its predecessor are striking.

Like 1992, 1998 is about the creation of a single market through the elimination of such obstacles to free competition as restrictions and monopolles. In the case of 1998, this open market will be in telecommunications services. As was the case with 1992, Impressive figures on this market's size, needa and potential are being cited. A study commissioned by Bayerische Landesbank Girozentrala, the Bavarian bank, recently reported that the international telecommunications sector's annual turnover is set to double to \$1 trillion by the end of the decade.

This rise, states the report, would make telecommunications "the world economy'e pre-eminent sector" - a sector in which tha EU holds a 25 percent shara. According to the Trans European Network (TEN), a working group chaired by EU Vice President Henning Christophersen, the upgrading of the EU's telecommunications infrastructure will cost 140 billion Ecus (\$165 billion) over the next five years, generating vast quantities of further business for EU companies.

As was the case for 1992, these heady figures are being accompanied by even headier visiona. Telecommunications are inducing "a new Industrial revolution in Europe," in the words of the Bangemann group, named after its chairman, EU Commissioner Martin Bangemann. According to the group, the fruits of this revolution will be a "networked" union. The EU's graater productivity and efficiency will be achieved by companies enjoying immediate and equal access to the information required to operate

at high rates of efficiency. Indeed, if EU heads of state andorse the principle of competing networks et this week's summit, the European Commission could take immediata steps to liberalize telecommunications infrastructura

changes would not be dra-

matic, because nearly all of

these countries already

have extensive association

agreements with the Union.

Europeane have been

showing, these association

agreements can be "tanta-

mount to membership," as a

German business weekly

As the Central and East

in the Union. In a scenario again reminiscent of 1992, all of the EU's telecommunication companies are racing to prepare for life in the post-1998 world, without really knowing what it will be like. Their pace has been so fast, in fact, that most major telecom producers and suppliers - with several notable exceptions - would like to age the date brought forward.

The exceptions include Deutsche Bundespost Telekom and France Talecom. Their reasons for opposing this move are simple. Nineteen-ninetyaight means the loss of their key monopoly on public standard (speech-related) telephone services, and they need time to get ready.

To do ao, they are going private France Telecom in 1994, according to Franch official sources, and Deutscha Telekom in mid-1996. These privatizations involve the acquisition of new capital via stock-exchange flotations and the reworking of pension plans and work-force regulations. This will not be simple. In the German company'e case, becoming a private-sector company will involve the passing or modification of some 300 laws.

in e further parallel to 1992, this pending date has already triggerad new alliances, entries and approaches. France Telecom and Deutsche Telekom have announced the formation of a wide-ranging working arrangement. At its heart is the reformation of Eunetcom. This "old-new" subsidiary (it was originally founded in 1992, but foundered) is to provide corporate customers with worldwide communication systems management and data communication services. To give this 1 billion Ecu partnership the requisite worldwide reach, the two compenies have entered into an alliance with Sprint, the third-lergest U.S. long distance telecommunications carrier. To coment their partnership, they are taking a 20 percent stake in Sprint, at a cost of 7 billion Deutsche marks (\$4.3 billion).

In early June, the Gesellschoft für Datenfunk (GfD) raceived a license to launch data communication services To that end, this German-French consortium is investing 500 million DM in its broadcast network. GfD has some powerful assets - the power masts and lines of RWE, the consortium's leader and Germany's largest provider of electricity. According to Der Spiegel, in preparation for the launching of GID, RWE has already laid thousands of kilometers of high-capacity fiber-optic cable. This would constitute Germany's second national telecommunications grid should GfD, as widely expected, enter into the standard speech-services sector.

GfD is only one of three such "electricity to telecoms" consortia in Germany. Other such consortia are being formed throughout the EU.

A major naw technology, the "telecommunications nexus," neatly incorporates the several hundred components of Europe's telecommunications sector. Each of the different services (epeech, fax, data transmission, teleworking, teleconferencing, E-mail), carriers (standard, ISDN, upgraded ISDN, satallite-based, radio-based and their combinations) and each of the ditferent categories of service and equipment providers and end-users and their positionings are plotted as a singla point. This nexus is reportedly in reguler use among the groups working to establish the EU's post-1998 telecommunications market.

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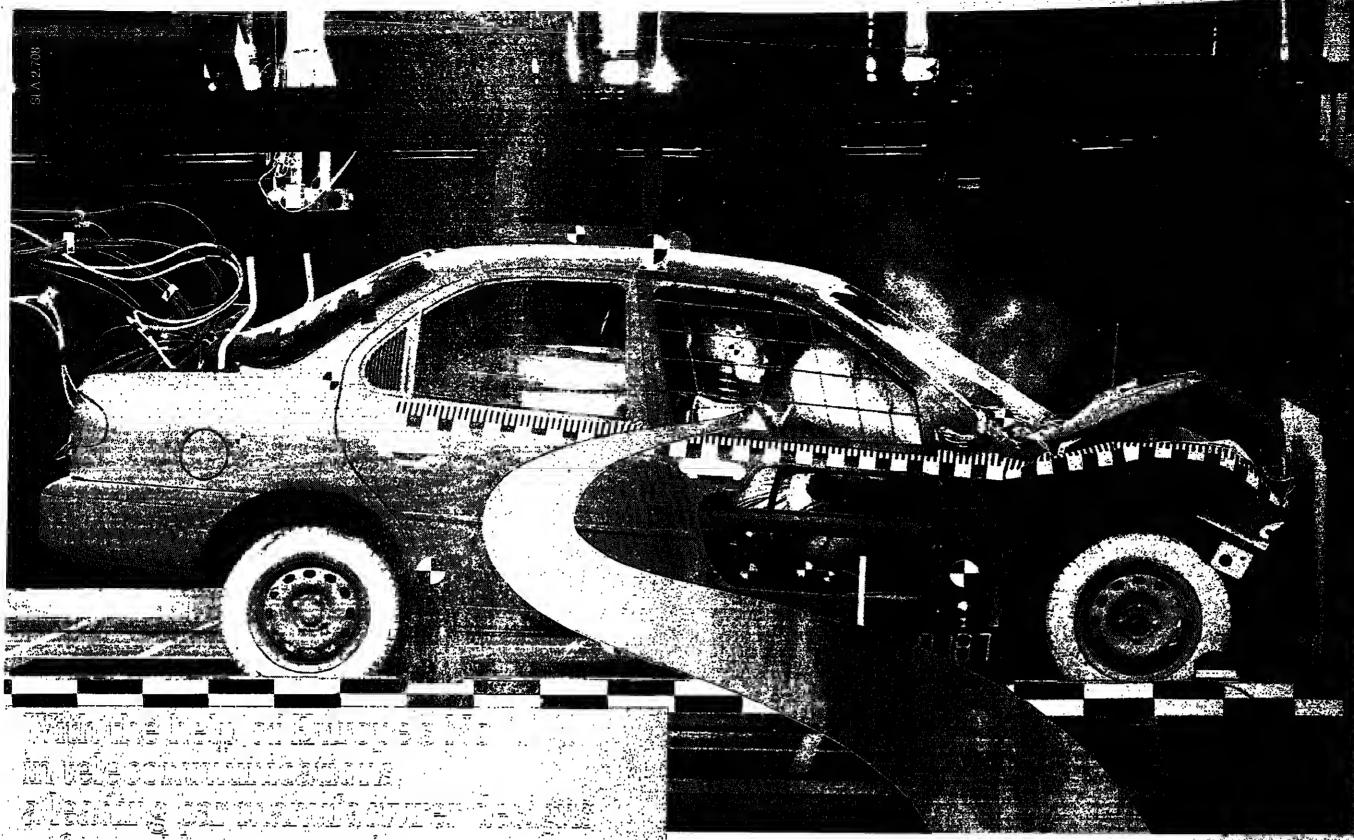
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The success of international companies is becoming increasingly dependent on infor-

mation logistics. That's why more and more of these companies are taking advantage of Telekom information management systems. One particularly good illustration of this is the Telekom contribution to the WAN (Wide Area Network) project at Ford Motor Co.

This worldwide data network, which links all Ford national and international operations, was set up and running in the shortest possible time. Its objective: to create a cost-efficient communications system. One feature is its ability to transmit the results and data of computer-simulated crash tests to and from the company's research and development centres based in Cologne (Germany), Dunton (England), and Ford's supercomputer in Detroit (USA). Compared to real-life testing, this dramatically cuts down the time it takes to acquire vital design information. To successfully complete this project, Telekom undertook all negotiations with the various international telecommunications authorities, created a special project team to investigate all project-related requirements and coordinated all the transmission channels to suit the customer's demands.

WAN is now an effective and competitive business tool in Ford operations. It has not only cut communications costs but has also significantly streamlined internal communications costs but has also significantly streamlined internal communications.

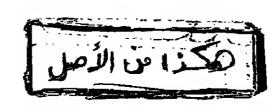
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## **Buropean Union**

Deregulation / No Pain, No Gain

## **Airlines Begin to Move Out** From Governmental Shelter

The tragicomic acena at Orly Airport to stay. The problem is the lack of e truly liboutside Paris in mid-Junc could have been straight out of an old Peter Sellers movie. French demonstrators, banner wavers and even regional folklore groups sought to hinder the start of British Airways flights from Orty to London, e concession granted under Europe's air liberalization laws.

The demonstrators were partly successful in delaying some flights, but the outcome seemed to confirm that the European Union'e highly complicated airline deregulation was under way. British Airways, of course, has led a "crusade" egainst government control through its successful privatization, its establishment of an airlina In Germany and its entry into the French market through the purchase of major regional French carrier TAT.

As last year'e landing-strip riots at Paris's Charles de Gauile alroort showed, however, unions backed by national pride in possing a fleg-carrying airline are not giving in easily to ideas of market freedom.

Major cerniers such es Lufthansa, Air France and Iberia are headed for privatization, but their workers are not prepared for the shock of what happened at British Airways when it went from state to private ownership. Some 20,000 jobs were shed, routes were reduced and assets sold. Now profits heve returned, productivity has increased and jobs have come back.

Two men, above all, are fighting the state funding of European eirlines. One is Geoffrey Lipman, president of the Brusselsbased World Travel and Tourism Council. the industry's most powerful lobby. Ha commented after the Orly events: "If liberalization of trade were to be held hostage to protectionist demonstrators, as happened et Only, we would still be in the steam age. The past three years have demonstrated more than ever during hard times that U.S. deregulation and European liberalization are here

eral, competitive environment thet allows

eirlines to operete like other businesses. The big subsidized carriers are demanding one last swig from the state bottle. Against them stands the other crusader for open skies, Sir Michael Bishop. The head of British Midland, Britain'e second-largest carrier, he is e longtime champion of cheaper fares - witness his Diamond-class businessclass fares between Britain and Europe, e virtual two-for-one deal.

Sir Michael does not mince words. "Ninety percent of European Union eir routes continue to be operated through state-owned aldine monopolies or duopolies," he says. "Only 26 routee are served by more than three carriers. Of the 15 busiest cross-border routee in Europe, 10 continue to be served by the two national eirlines of the countries concerned. You can count on the fingers of one hand the major air routes in the European Union where fares have fallen in the past 40 years."

Lower feres ere coming - slowly. British Airways and British Midland have shown the way. Privatization seems the answer once British Airways-style shocks have been accepted by Europe's unions.

By 1997, European airlines will have complete freedom in choosing which routes they wish to serve, which countries they wish to operate between and, within certain limits, the fares to be charged.

For the moment, complex issues of national pride and jobs are hindering dereguletion, as the Orly incident showed. However, as Sir Michael states: "Over the past few years, in the face of intense opposition from some quarters, the European Commission has moved bravely and decisively to open up the airline market to competition with its famous Third Package' of measures." Eventually, wa may see the Italians operating between Aberdeen and Stavanger. Alan Tillier

Services / The True Transnationals



The figures indicate that in one key area, the single aspirations heve not yet been realized. The service percent of the European Union's gross domestic product, 60.3 percent of its jobs - end only 18.4 percent of Intra-Union ex-

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Nonetheless, the post-1992 EU features e rapidly expanding, relatively free market in transnational services. This market was created by EU legislation and fanned by EU-incited demand. It is also spawning e number of spin-offs in the fields of education and research services.

For understandable reasons, the EU's market for services is undercounted. These servicee take the form of vast numbers of legal documents, blueprints, statistical analyses, learned opinions and environmental audits. Much of this information is provided via comput- : tisements pleced by noner, fax and telephone lines.

customs stations at their European market's basic border crossings, it is not possible to monitor these transnetional services by sector eccounts for 64.6 standard methods. Not counted, for Instance, are the reported 10,000 people making Scotland one of Europe's teleworking centers, or Dublin's corps of offshore investment salespeople. Also not included are Rostock'e CAD/CAM experts, who send their component designs via multimedia connections to shipyards throughout Europe, and Baden-W0rttemberg'a long-

> sands of kilometers away. To tabulete thie growth, service industry experts are resorting to such esoteric indicators as the number of \*non-local-language offshore policies" written by the EU's insurers, or that of personnel recruitment adverlocal agencies.

distance mechanics, who

use satellite linkups and on-

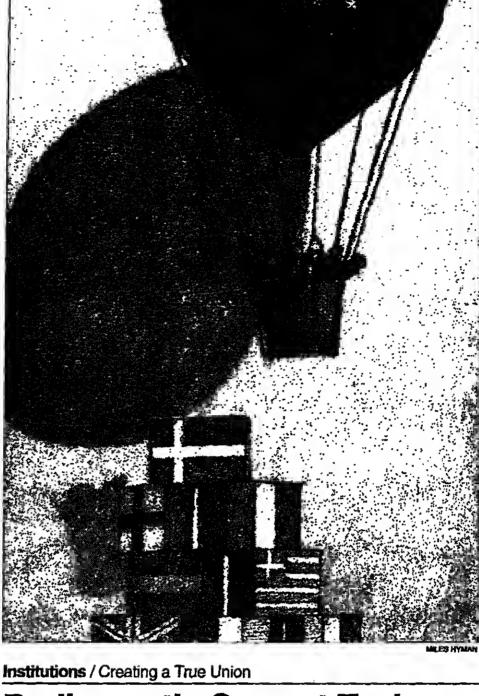
site incresensors to repair

machines located thou-

Another closely watched Indicator is the proliferating number of multisource data banks. In various stages of development, they link national authorities, agencies and companies into EUwide information networks. Feeding on these networks ere so-called Euroexperts, whose expertise and forms of organization ere pan-

European in scope. The EU was instrumental in the creation of these networks, often providing funding. EU institutions also cleared the way for their use by the Euroexperts.

Also partially funded by the EU is the European Institute's European Economics program. Now in its fourth year and held at the campus of the University of Saarbrücken, the progrem has been designed as a breeding ground for e new generation of Euroexperts. Graduates earn the Master of Business Administration Europe end Master of Economics Europe degrees.



## Parliament's Current Task: **Maintaining Delicate Balance**

Continued from page 17

held. On other hand, there are several key tests looming for the European Parliament - opportunities to enhance its real power as well as its public image. First, the heeds of the 12 governments are about to pick a successor to European Commission President Jacques Delors. The European Parliament has veto power over the choice, which it is unlikely to use for fear of further straining the already fragile EU structure.

it is equally unlikely, however, that the 12 heads of government will pick a president obviously unacceptable to a majority - or even a significant minority - of Euro MPs. This means that the prospective candidates are being careful to forge political alliances with Euro MPs. Euro MPs, meanwhile, are more likely to support a candidete who thinks the European Parliament should have more power in the near future.

In addition, the European Parliament will hold confirmation hearings on appointees to the European Commission, the EU's chief policymaking arm. A country or a prospective commissioner not promising to support expanded Europarliamentary powers could end up being embarrassed.

if the European Commission or the member nations do not bow to the Parliament's demands for more legislative authority, then Euro MPs could elso scuttle expension

A long-range test will be the 1996 intergovernmental review of the Maastricht treaty. This constitutional review, mandated by the treaty itself, could be a major step in raising the Perliament to equal status with the European Commission. That is what the last Parliament demanded, but the proposal has opposition, notably from Britain and France.

What role the European Parliament plays n that review - a key step in determining the future of European political and economic union - will in large part decide what role Euro MPs play in the European Union of the 21st century.

One thing, though, is certain. The new Euro MPe and the new EU president, whoever it is, cannot stand by and wait for the member governments to hand over power. It is up to them, individually and as an institution, to generate enthusiasm among the general population, gain support from national governments and gather power at the European level. Timothy Harper

Travel Industry / Hardy Perennial

#### **Tourism Sector** Is Back in Bloom

Boom times look to be back again for tourism in the European Union. People are spending and traveling again. Traffic in the first quarter of this year rose 9 percent as discounted air tickets, hotel reductione end attractive packages helped push the industry toward recovery. Classical holiday destina-

tions in the Mediterranean such as Spain, France, Italy and Greece ere benefiting from the drop in tourism in other countries in the region, notably the former Yugoslevie, Turkey and Egypt. This redistribution of travelers is helping EU destinations from Britain to Greece.

The latter is set to go above the 10 million mark for visitors this year. (Local advice: evoid island-hopping in July and August, when the boats are expected to be crammed in this record sum-

Europe, which had 296.5 million emivals last year (up 2 percent from 1992) and tourist receipts of \$16.6 biltion (up 5.7 percent), is the world's largest tourist destination after the United States. Airline sales are up, eccording to both the International Air Transport Association and the Association of European Aldines.

Tourism, already Europe's largest industry, is e major source of jobs. The importance of thie has not escaped the European Union, which is increasingly allocating money from its considerable regionel budget for tourist projects, be they roads on Greek islends or entertainment parks in Ireland. European Union aid for tourist projects within the 12 countries has recently risen to 2.3 billion Ecus (\$2.7 billion), with the European Investment Bank adding another billion Ecus.

France expects its impressive total of 60 million visitors in 1993 to be repeated, giving the country a massive tourism surplue. Spain expects 56 million visitors following the devaluation of the peseta and new efforts to increase the pricequality ratio in hotels.

Italy, which has managed to hold down its hotel prices, expects a 10 percent jump in the number of tourists, rising to as high as 50 percent in Sicily.

Behind the impressive figures - IATA showed passenger totals climbing 12 percent in March - the Industry is engaged in e new round of eirline mergers or

links, such as the one be-tween Alitalia and Continental, the latter being the pacesetter in cross-Atlantic cost-cutting. Major

agreements like the one be-

ADVERTISING SECTION

tween France's Wegons-Lits Travel and the U.S.-based Carlson offer both the business and holiday traveler cheap fare-scanning sys-The venerable tems. Thomas Cook agency, now German-owned, is doing the same, and is probably best pleced for plene and train reservations across Europe. Its new European train guide is a modern version of

A range of bargains is evailable for this season's traveler, be it at e three-star hotel or at Britain'e prestigious Savoy group, which is offering a double at Claridge'e for £160 (\$240) a night and a £35 meal. A twocourse meal for £8 e head at London's Simpson's-in-the-Strand must be one of the season's best bargains.

that of Grand Tour days.

Hoteliers ere saying the recession le over and ere doing their best to encourage the upturn. While much has been said ebout lower occupancy et the top end of the market, this is contradicted by the fierce battles for control of mejor luxury groups that have come onto the market, such as the Italian Cige chain, among the best in Europe, and the Meridien branch of Air France.

Even this category of hotels offers services that were unknown a few years ego. Rooms et the Conrad Hotel in London, for example, are bigger than many European apartments. Workstations are Installed at most Hilton International hotels. The Lucien Barrière resort group In France at Deauville, La Beule and Cannes is offer-Ing rates of little more than \$100 a night with golf, tennis, riding and sailing thrown in. This may be Europe's best deal.

Double eir-mile deals abound, as well as free overnight stays on several outbound destinations, like free rooms in Bologna and Turin on Alitalia out of London. The Scots have worked out similar deals with Air France in Paris.

The Channel Tunnel, when it becomes fully operetional, will give a tremandous boost to European tourism, as will the growing hook-up between highspeed trains and airports.

Flashes / EU News

#### Business Briefs: Regions, Repositioning and Equine Rights Europäische investitione

• Even before the June 12 berger, "that small commureferendum on Austria's accession to the EU. St. Poiten, capital of the province of Lower Austria, was confidently flying the 12-starred blue-and-gold flag and seeing itself as a bridgehead to the neighboring countries of the Czech Republic, Slovakia and Hungary. The potential op-portugities for St. Potten in this "New Europe" were outlined by Wolfgang Streitenberger, director of NOPLAN, planning company for the city's administrative sector, due for completion in 1996: To my mind, there is no mère European e region no many European e region than Lower Austria. A human dimensioned city such as St. Polten, with its firth standard of living, can, and should, enhance the qualities of urbanism and urbanism and urbanism and urbanism and urbanism and urbanism and urbanism. banity that are disappearing from the large cities of Europe." With this in mind, a whole self-contained Culturat District is being built adjoining the governmental area, intended to show that in a Europe of the Regions a city like St. Polten can compete effectively even-with a metropolis like Vienna, 60 kilometers (37

miles) away. "It is impor-tant," says: Mr. Streiten-

nities remain optimistic when confronted with the EU colossus." David Hermges

· Since the introduction of the single market, European Union financial houses have been availing themselves of the freedom to expand into new markets. An unforeseen element has been the wave of finance houses recasting end repositioning themselves. A parallel development has been the change in the nature of privately held companies going public and international. "There is nothing new about companies based in Ger-many and other national European markets seeking capital abroad," says Uli Kaen at the Munich office of

securities exchanges - plus, to a lesser extent, London and Luxembourg - have traditionally been main sources of venture capital for the Continent's young, high-tech companies. Today, howev-

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er, in the wake of the financial markets' new internationalism, whole corporate sectors, including Germany's once-staid small and medium-sized businesses, have decided to profit from the greater openness and liquidity characteristic of New York and other leading International financial centers. Our group's role is to provide eccess to those centers." To do so, the Europäische Investitions

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group secures listings for its corporate customers on the NASDAQ and other ex-chances. T.S. changes.

· Working to improve the welfare of the EU's equine population is the International League for the Protection of Horses. which has leunched a cam-

regulations covering the transportation of horses for sleughter. According to the British-based charity, whose Continental subsidiary is loceted in Paris, a Europewide petition is being circulated protesting against the

paign to bring about changes in the Europeen horses are currently shipped within the EU, and calling for revised standards to be applied to enimals coming from outside its borders. The League hopes to place the petition before the European Parliament and Council of Ministers in July.

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# Rockets Ride to First NBA Title, Burying Knicks' Hopes, 90-84

## Olajuwon Adds an MVP With a 25-Point Showing

By Clifton Brown

HOUSTON — The Rockets took the city of Houston on its first championship ride. The New York Knicks' quest for glory ended in anguish.

In winning their first National Baskethall Association title. the Rockets defeated the championship series Wednesday night after losing in the finals to the Boston Celtics in both 1981 and 1986.

It was the crowning moment in the hrilliant career of Hakeem Olajuwon, the Rockets' center, who had 25 points and 10 rebounds and was unanimously voted the most valuable player of the series. He hecame the first player to be named regular-season MVP, defensive player of the year and MVP of the final in the same season. "If you write a book, you can't write it any better," said

It was a crushing defeat for the Knicks, who hoped to win their first title since 1973. Instead, they became the 20th consecutive team to lose an NBA Game 7 on the road, with the Rockets having also won Game 6 at the Summit.

Patrick Ewing, in his ninth season with the Knicks, had never been this close to an NBA title. Neither had his teammates. And it was a cruel finale for John Starks, the All-Star guard who had one of his worst performances in the biggest game of his life: 2 for 18 shooting, including 0 for 11 from 3point range, as he finished with

The Rockets' locker room was a scene of joy and celebration, with players dousing each other with champagne. In the Knicks' locker room the scene was quiet and dry — except for

"They played as nard as they could for as long as they could," said Pat Riley, who fell short of winning his first championship with the Knicks after winning four as coach of the Los Angeles Lakers.

"There isn't any solace in anything I could say to them right now. I don't think I've ever been more proud of a team in my life. I can't tell you how I feel about the guys on this team. They have been through the Rudy Tomjanovich. "It's al-

#### For investment information

every Saturday in the IHT

Knicks, 90-84, in Game 7 of the kept coming up snort. When 1 can't explain it."

But Houston's defense had something to do with it. Vernon Maxwell was all over Starks, refusing to give him room for shots. And when Starks did get past Maxwell and drove to the basket, Olajuwon was waiting. Maxwell played his best game of the series, scoring 21 points, including a 3-point jumper that virtually sealed the outcome.

"I was talking to Kenny Smith before the game, and he told me that we'd have to hold John under 15 points for us to win the game. Maxwell said. "He said that if Starks got more than 15 points, it would be a long night for our team." Instead, it was a long night

for the Knicks. They fell behind early in the third quarter and were never able to catch up, trailing by 4 to 7 points for most

Charles Oakley made two free throws to make it 78-75 with 2 minutes, 51 seconds left, hut Olajuwon answered with a tough hook shot over Ewing. Then Ewing, who finished with 17 points and 10 rebounds on 7 for 17 shooting, missed a jump

tory belonged to them. The Knicks never gave up, hut they never got closer than 4 points thereafter.

plain or describe what it feels like," said Houston's coach,

wars, been through so much.

Asked about Starks, Riley said he never considered taking and the fourth quarter, giving New York City both the phockey and haskethall titles his 11th victory Wednesday might when he gave up four runs. in the same season, something night when he gave up four runs no city has ever accomplished. Instead, for the Knicks, it 2 decision to the visiting New was a nightmare.

"I'm extremely disappointed," Ewing said, "but I'm still proud of my teammates. It it.' hurts, period. this is a game we

"John almost single-handedly won it for us in Game 6," said Riley. "You go with your players. You go up with them. you

A sundued Starks said: "I don't know what it was. It was very discouraging. My shot went out before the game to shoot, I felt real good. My teammates were behind me. The shots I had were good looks. I

ting the ball from Olajuwon,

could have won, hut we didn't.

go down with them."

shot from the left baseline. Then Maxwell struck. Get-

who smartly passed out of a double-team, Maxwell sank a 3-pointer from 25 feet, giving the Rockets an 8-point lead with 1:48 left. The Knicks called a timeout. Maxwell fell to the floor and was mobbed by teammates racing on the court from the bench. The Rockets knew this vic-

"I don't have words to ex-

We made too many mistakes."



Hakeem Clajuwon, with Anthony Mason hanging on, scoring two of his points. He also pulled down 10 rebounds.

The Atlanta Braves's Greg the tying run.

The Associated Press

in the eighth inning and lost a 5-

"I just made a bad throw." he

Maddux had retired 16 hat-

AREN'T YOU EXAGGERATING.

BEETLE?

NHY DO YOU WANT TO JOHN F

said. "No excuses. I launched

York Mets.

## Griffey Beats Babe Ruth's 30 June HRs

By Bob Nightengale Las Angeles Times Service

ANAHEIM, California - It was the moment the California Angels' fans had been awaiting for three days, and as soon the ball left his bat, they sucked in their hreath while witnessing the historic shot.

They reacted as if Ken Griffey Jr. was one of their own, celebrating his 31st home run of the season en route to the Seattle Mariners' 12-3 victory over the Angels on Wednesday night. The 22,305 fans erupted into cheers

the moment the ball soared into the Mariners' bullpen and were providing a standing ovation by the time Griffey crossed home plate.

They did not need any prompts by the scoreboard to tell them that Griffey had just made baseball history by hitting

more homers than anyone else by the end homers will take time of the future. And of June, eclipsing Babe Ruth's record of that will make the present O K. 30 set in 1928 and 1930. It was Griffey's Griffey, who actually came rost for

Maris's record of 61 set in 1961.

"My mom told me before the game, "If you do it, do it tonight, because she was watching on television in Cincinnati," Griffey said.

"I don't really concern myself with history," he added. "It's not going to help me. I don't want to be thinking. He hit a homer this day, so I have to hit one.'
"I don't worry about the past. The

30 set in 1928 and 1930. It was Griffey's Griffey, who actually came out for first homer in four games, but his minth, early batting practice. Wednesday be in the last 16 games.

Griffey, who predicted before batting practice that he would hit his 31st homer, abled the Mariners to overcome a 3-1 did so with a drive that traveled 404 feet deficit. After Jay Bulmer's three num (123 meters), his 11th consecutive homer homer in the sevents, the only remaining of more than 400 feet. He now is on pace suspense was whether Griffey would him to hit 71 homers, 10 more than Roger another. He instead finished the night

smother. He instead timished the night with a double, a homer and three RBIs.

Perhaps the most amazing aspect of Oriffer's homes on large is that he line as many homers this season is the Mariners (31-39) do victories. It's not reactly a feat the Mariners are proud of, but they pulled within one game of the Taxas Kangers (32-38), who became the first team in basehall history to be included place while being six games below 500.

## Yankees Romp in 7th to Beat Twins, 9-2

Said the New York Yankees' manager, Buck Showalter: "It seemed like the first team that

scored was going to win." Well, the Minnesota Twins scored the first run Wednesday night in New York, but the Yankees won, 9-2

Scott Kamieniecki and Kevin Tapani both pitched sbutouts for six innings, before the Twins scored in the seventh on Alex Cole's sacrifice fly.

The Yankees responded with seven runs in the bottom of the inning as 11 batters came up against three Twins pitchers.

"We had a pretty good ball game going for 6½ innings," said the Twins' manager, Tom Kelly, whose club was swept in the three-game series. Tapani had allowed only five hits over the first six innings,

bottom of the seventh with a four. long double off the left field The wall and Randy Velarde walked before Mike Gallego's single scored Williams to tie the score. Left-hander Mark Guthrie then replaced Tapani. Guthrie walked Luis Polonia ERA

hitter Shawn Hare singled in with Dave Righetti, now with of 29% innings, 57 hits and 33

Maddux had his usual pinpoint Fernando Vina put down a The Braves took a 2-0 lead in Padres 7, Dodgers 6: Rookie and doubled home the go-

control. Throwing to first base was another matter.

Sacrifice bunt, hut raced all the way to third as Ryan Thompour runs by Roberto Kelly and Jeff and RBI double in the seventh hurgh held off Philadelphia for

Blauser. The Mets closed to 2-1

on Thompson's RBI single in

Expos 6, Cardinals 4: Larry Walker hit a three-run homer

and Moises Alou a solo shot in St. Louis as Montreal Boh

Tewksbury's career-worst

Tewksbury has been stuck on

eight victories for six starts, all

gave up a two-run single to Jim Leyritz and a two-run homer to Panl O'Neill, his 13th. Williams then hit a two-out

Don Mattingly doubled in Gallego for a 3-1 lead, and Carl Willis relieved Guthrie. Willis

double to become the first Yan-

AL ROUNDUP

kee this season to get two hits in the same inning before Willis finally retired the side.

Brewers 9, Orioles 2: Alex

Diaz hit his first major league homer during an eight-run second inning that led Milwankee to victory in Baltimore. Cal Eldred pitched his sec-

ond straight three-hitter. He but Bernie Williams started the struck out four and walked The Brewers combined nine

hits and two walks off Ben Mc-Donald and Mark Williamson in taking a 9-0 lead. McDonald then has gone 3-5 with a 5.18

an RBI double in the seventh

that gave San Diego its victory

the top of the seventh when Raul Mondesi hit a three-run

homer, his 10th, and Carlos

Rockies 14, Astros 5: Dante Bichette hit two homers and

tied Colorado records with five

San Diego hlew a 6-2 lead in

over visiting Los Angeles.

Hernandez a solo shot.

game sweep in Toronto.

In five starts since May 27, He
The Red Sox had lost 11 in a struck, out sit. Pant Assent
row before starting the series at macher struck out the side in
the SkyDome. The Blue Jays the minth and no Tenna rames
have lost five straight.

The starts since May 27, He
The Red Sox had lost 11 in a struck out the side in
the SkyDome. The Blue Jays the minth and no Tenna rames
have lost five straight.

third. He is 9-for-27 with three straight day and Jun Hom home runs and 10 RBIs in seven had the first two-homes games games since being acquired his career leading. Clevelan from Milwankee last week.

Paul Molitor drove in both runs for Toronto. Royals 10, Athletics 1: Felix ose and Bob Hamelin homered

as Kansas City won in Oakland. Jose and Wally Joyner, who drove in three runs, each had three hits. Brian McRae had two hits and drove in two runs. shots, giving him three hom

White Sox 4, Rangers 0: Wilson Alvarez pitched two-hit ball. for eight innings as Chicago, playing at home, beat Texas. Darrin Jackson's RBI double

its seventh straight victory at

Reds 4. Giants 3: Barry Lar-

kin's two-out single in the minth

in Cincinnati handed San Fran-

cisco its 11th loss in 13 games.

a run with two out in the eighth

to give the Reds a 3-2 lead. But

Matt Williams hit his NL-lead-

ing 24th homer in the ninth to halt a 2-for-27 skid slump.

Reggie Sanders singled home

to load the bases before Wade
Boggs's sacrifice fly scored Velarde to make it 2-1.

Red Sox 3. Blue-Jays 2. Tom in the fourth put the Water Sex
Brunansky drove in two runs shead to skip.

Alvater with for the first first

Brunansky singled home a Same
run in the first inning and dou- Indians 9. There is Sand
bled home another run in the Alomar bornered for the dina

The Indians, who had their

10-game winning street is stopped Tuesday might, now re-turn for an 11-game homestand; at Jacobs Field, where they have won 19 in a row. Alomar bit a three run homer. Thome hit two solo

Mark McGwire hit his first runs in seven cancer at hate home run for Oakland since against John Dobesty.

#### Players Preparing Counterproposal

WASHINGTON - Donald Fehr, head of the players union, said his group is preparing to present the owners with a series of proposals as an alternative to management's plan that calls for a a limit our players' salaries.

Pehr was in Washington to lobby for passage of legislation; that would strip Major Learne Baseball of its antitrust excuption in labor matters.

If the legislation becomes law, a strike could probably be avoided since baseball's players and owners could settle their differences in court as have players in the National Foot-ball League and National Bas-ketball Association in recent years. Baseball is currently the only major sport with an antitrust exemption.

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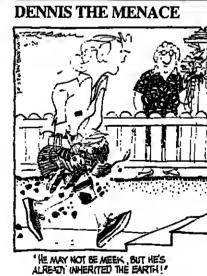
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INHALE DEEPLY

NL ROUNDUP

son and Hare scored when

Maddux threw wide of first and

into the right field hullpen area.

Jose Vizcaino then drove in Vina with a sacrifice fly. The Mets' John Franco then

pitched the nintb for his 17th save this season, and 253d in



SO IT AME GODINHO HPST SUCCESTED...

Braves's Maddux Retires 16 Mets, but Then

Toronto.

the second.

slump alive.

ters in a row and was leading, 2- the majors, the most by a left- losses, during which he has RBIs and four hits in helping 1, in the eighth when pinch- hander. He was previously tied compiled emharrassing totals rout visiting Houston.











runs allowed for a 10.13 ERA. hit a solo homer in the fourth





COULDN'T

HAVE PICKED

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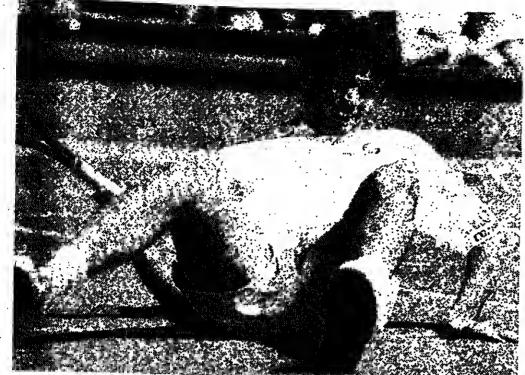




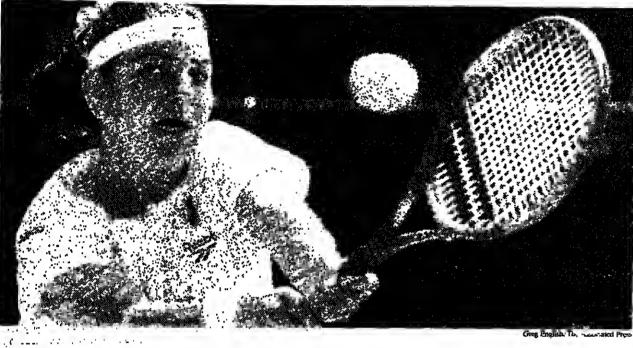
Yeah. I remember Jerry. Good friend of mine. ... You know, I never understood a single word he said, but he always had some mighty fine wine."



# **SPORTS**







It was a day of downers for Sergi Bruguera of Spain (above, left) and Stefan Edberg of Sweden during the second round at Wimbledon. Bruguera, the French Open champion, managed to hold on in a five-set match of 4 hours, 22 minutes to defeat Patrick Rafter of Australia. But the third-seeded Edberg, twice champ at Wimbledon, lost in five sets to 113th-ranked Kenneth Carlsen of Denmark. Arantxa Sánchez Vicario of Spain, the French Open women's champion, defeated Maria José Gaidano of Argentina, 6-2, 6-1. Sánchez Vicario is now the favorite at Wimbledon after Steffi Graf lost in the first round.

#### SCOREBOARD

BASEBALL Major League Standings

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May York 900 600 722—9 13 1
Toponi, Guthrie (7), Willis (7), Merrimon (8) and Walkeels, Komieniecki, P. Ginson (9) and Layfit, W. Komieniecki, S. L.—Toponi, 8-4, HR.—New York, O'Neill (13). AMERICAN LEAGUE.

New York O'Neff! (13).

Falarda, D. Smith (7), Henke (8) and Ortiz

W. W. JEE

are of the funire, And it present O.K., and it present O.K., article Wednesday becaused with his swing in casicaught that endicated with his swing in casicaught that endicated with his only remaining the Graffey would not add finished the night comer and three RBIs.

ist amazing aspen of thinge is that he has

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terres. It's not exactly are proud of, but they

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history to be in first out games below 500.

ins, 9.2

fourth put the White Sox

arez won for the first time

starts since May 27. He

out six. Paul Assen-

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e first two-homer gamed

areer, leading Cleveland

: Indians, who had their

ime winning streak

the Tuesday night, now re-transistant parms bornestand on Field, where they've

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Alvared Assessmenter (7) and Kartovice W—Alvared 7-2 L—Folardo 2-4.
Cirvolond 120 150 800—7 17 8 Anurez-Assennacher (?) and Kartovice.

W—Alvejez: 1-2. L—Folande 2-L.
Cirvejez: 120 158 88-7 17 8
Defreit: 3 68-27 28-4 13 1
Mortiège: Plimit (7) end Alomar. Peino (8):
Dobrets: Cadaret (5). Guillcham (5) and
Krenter: 10-Mortinez: 6-4. 1-Doherty: 6-5.
HRs—Cigrebond. Thome 2 (10). Alomar (7).
Detroit, Spanuel (2):







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Dekkand 949 89—1 9 9
Gordon, Pichardo (7) and Mactariane; Van Popoet, Horsman (7), Taylor (81, Reyes (9) and Steinbach, W—Gordon, 7-4, L—Von Pop-pel, 3-6, HRs—Konaas City, Homelin (11), Jose

NATIONAL LEAGUE Montreal 306 102 806—6 9 2 St. Louis 800 100 100—7 7 1 Rueter, Herndia (3), Rojos (7), Wethsland (9) and Flotcher; Towksbuty, Evergoerd (8), Perac (9) and McGriff, W—Rueter, 3-1. L—Tewisbury, 8-7, Su—Wetheland (13).

HRs-Montreal, Alou (13), Walker (11), St. Louis, Pena (5), Ens Assectes 829 666 486-4 7 2 Son Diese 189 239 188-7 15 1 Hershiser, McDrawell (5), Dreifort (7), B. Hershiser, McDawell (5), Dreitort (7), B. Barnes (7) and Ca. Hernandez; Benes. Tabola (7), Compbell (7), P.A. Magtinez (8), Hoffmon (9) and B. Johnson, Ausnaus (9), W. Camebell, J.-L. L.—Dreifort, 0-5. Sv.—Hoffmon (13), H185—Son Diego, Plontier (15), Los Angules, Manules (10), Cortemandez (1), Houston 91 000 005.— \$12 2 Colorado 221 418 40x—44 28 Swindell, To. Jones (2), Verns (4), Hamphon (6), Hudde (8) and Eusebio; Painter, Moore (9), M. Munoz (9) and Sheaffer, W.—Pointer, 3-2, L.—Swindell, 5-5. H Rs.—Colorado, Bichefie 2 (18).

Hew York \$18 608 840—5 7 8 Atlanta 200 608 608—2 6 1 P. Smith, Gazzo (8), Franco (9) and Hund-Hy: G. Moddux and J. Losez W.—P. Smith. 47.
L.—G. Moddux, 10-3. Sv.—Franco (17).
HRS.—Affonto, R. Kelly 16), Blauser (2).
Philodestein 88 37 898—4 8 8
Pithsburgh 60, 112 51.—5 7 2
West, Quantrill (6), Slocamb (7) and Douton: Lieber, R. Manzanillo (6), A. Pena (7) and Slought, W.—R. Manzanillo, 2-1. L.—Glocamb, 4-1. Sv.—A. Pena (5). HRS.—Pittsburgh King
(3), Merced (3), McClendon (1).
See Francisco 918 186 691—3 6 1
Clinciasaff 18 609 511—4 9 8
... Black, Berba (7), Frey (8), Monicleane (8), Hickerson (9), Beck (7) and Jb. Reed. Mansaring (9): Hoosen, J. Ruffin (9), J. Brantley (9) and Jonsett, W.—J. Brantley, 5-3. L.—Montelsone, 1-2. HRs.—San Francisco, Bonds (16), Mo. Williams (24).

The Michael Jordan Watch

WEDNESOAY'S GAME: Jordon was 0-for-2 in the Borons' 5-2 loss to Nashville, Jordon struck out in the second and rifth innings, filed struction at the section and thin items, that to left field in the seventh and wolled in the hinds. He had four putouts in right field, ... SEASON TO DATE: Lordon is bottime 302 [49-for-347] with 20 runs, 11 doubles, one triple, 25 RSIs, 34 walks, 65 strilepouts and 15 stolen bases in 25 othern pict. He has 109 undout, two assists and seven errors in right field.

Japanese Leagues

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end.

KANSAS CITY—Signed Bernardo Harris,
Ilaebacker. Released Brei Kwarto, goord,
and Nick Mo'tsigo, detensive lockle.

N.Y. JETS—Agreed to terris with Nick
Lowery, plocekicker, on 2-year controcl.

PHILADELPHIA—Signed Rob Selby, aftension licenary. iensive linemon. SEATTLE—Agreed to terms with Duose

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BASKETBALL

Houston wick champtonship 43
New York—Ookley 49 22 10, C. Smith 472-4
10, Ewing 7-17 34 17, Horper 8-16 5-6 23, Starks, 2-78 4-8, Moson 34-6 0-6, Anthony 2-5 2-2 7, Davis 1-2 6-0 3, Tokuts 31-78 18-24 84.
Houston—Horry 4-8 0-6 8, Thorpe 3-7 0-2 4, Column 10-25 5-7 25, Mourveil 6-11 7-8 21, K. Smith 4-72-211, Herreru 3-6-0-6, Cassell 4-6-4
13, Curelon 0-0-6-8 Elie 0-3 0-0 9, Jent 9-0-0-0, Tokuts 3-73 18-23 9-8.

3-Paint gouts—New York 4:20 (Harper 2-5, Davis 1-1, Anthony 1-3, Starks 9-11), Houston 4-11 (Maxwell 2-4, K. Smith 1-2, Cassell 1-2, Horry 9-11), Foetes out—Cakley, Rebesses—New York 53 (Oakley 14), Houston 44 (Dictured 19), Assists—New York 17 (Harper 5), Houston 22 (Centured 7), Total Sand, Mary Act 21, Horse

Assists—New York II (Nurper 3), rivision (Olofuwon 7). Total fauts—New York 23, House

TRANSACTIONS

American League
CLEVELAND—Acquired J.T. Brueft, outficient, from Altenegate the future considerolians, and assigned him to Cheriotte. IL.
DETROIT—Haused Jerry Don Gleaton gen-

eral assignment scort.

National League
CHICAGO CUBS—Activated Mike Morsan,
pitcher, from 15-day disobled list. Optioned
Tork Wendell, pitcher, to form, AA.
R.Y.METS—Signed Jay Poyton, autileider,
and assigned him to Phitsfield, NYPL.
PITTSBURGH—Signed James Anderson
and Curry Deutsch, pitchers, and Leland
McAles, autileider.

BASKETBALL
Notional Basketball Association
ATLANTA—Truded Roy Hisson, forward
Milwaukee for Ken Norman, forward.

FOOTBALL

Matieset Feetbatt League
ATLANTA—Agreed to terms with Cav
Matthews, linebocker, on 1-year contract.
Of NVER—Signed Bab Meeks, guard, to 2-

GREEN BAY—Will not match offer sheet node by Tampa Bay for Jockle Harris. Heht

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**NBA Final** 

Totals 34-73 18-23 90.

NBA, getting a five-year contract that will pay him \$1.5 million a

for the announcement Wednesday afternoon. He replaces Rick

Philadelphia's coach. He was hired by Bob Clarke, the team's new general manager and president.

COLLEGE CLEVELAND ST.—Nomed Alice Khol as-

clate athletic director and Julie James cor

Stave Kine assistant baseball cocches.
MILLERSVILLE-Named Story Helserman assistant field hockey cooch.
ST.JDHN'S-Named Kelley Wotts warren's

SALISBURY 5T.—Normed John Browning Ten's and warren's tennis coach. SLIPPERY ROCK—Named Laura Williges

ball coach.

women's baskethall couch, SUSQUEHANNA—Named Peggy Bobb as-statent field hockey cooch; Carol Lagan Miller women's assistant soccer cooch; and Nikli-Miller women's assistant volkeyball cooch. TUSCULUM—Named Toby Brooks softball cooch; Miller Goforth americ linguist; and Chris Fritz women's tennis cooch. VALPARAISO—Named Daniel Card men's

VALPARAISO-Named Daniel Carl men's and women's swimming and diving cosch.
VIRGINIA—Named Pete Herrmann men's
assistant basketball cooch.
WAGNER—Harned Olna Manglero assis

WEST VIRGINIA-Nomed Mike Brownen's assistant basketball cooch, effecting

July 1.

WILKES—Associate athletic director at field hockey coach Addy Maintesta has a signed as softball coach.
WISCONSIN-MILWAUKEE—Grey Cappinen's assistant baske/ball coach, resigned.

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nator. Named Gary Henderson on

The Los Angeles Raiders and the Coliseum Commission signed an agreement, ending five mooths of uncertainty about where the NFL team would play this season.

(AP)

(AP)

in good condition after undergoing surgery for appendicitis. (AP)

Jackie Harris became the NFL's highest paid tight end, signing
a \$7.6 million, four-year contract with Tampa Bay. (AP)

Nigel Mansell will return to Formula One racing and has signed ousted in the first round of the

a \$1 million deal with the Williams-Renault team, several English ocwspapers reported.

#### Trail Blazers, Flyers Name Coaches

PORTLAND, Oregon (AP) — Seton Hall's couch, P.J. Carlesimo, has been hired to coach the Portland Trail Blazers of the

Carlesimo, university's coach since 1982, was flying to Portland

Adelman, who was fired on May 12.

Terry Murray, who had played as a defenseman for Flyers and later coached the NHL Washington Capitals, was named

#### For the Record

Lenny Dykstra, the Philadelphia Phillies' outfielder, was listed

**Exodus at Wimbledon** 

Washington Post Service
WIMBLEDON, England —
First it was Steffi Graf. Then
Michael Stich. And now Stefan Edberg. All past champions, all high seeds, and now all climinated even before the start of my own fault, nobody else."
That's been the litany of all the third round And Jim Courier, last year's

runner-up.
What a wild and wonderful Wimhledon it's heen, aod they've only been playing four

By Leonard Shapiro

On a delightfully sunny afternoon, Kenneth Carlsen, a crisply cool 21-year-old Danish player ranked 113th in the world, found his way back to center court Thursday for the second time and played as if he'd been hitting winners there all his life.

After dropping the first two sets on tlebreakers, the first on Wednesday evening before darkness stopped play, and af-ter watching Edberg save five match points in his last service game of the final set, Carlsen's nerves and his serves held up splendidly to close out a stir-ring, 6-7 (8-6), 6-7 (8-6), 6-2, 6-4, 6-4 victory.

Then the fifth-seeded Courier, winner of four Grand Slams, was sent packing by Guy Forget, who has been sidelined for most of a year by knee surgery. He has fallen to 1,130th in the

rankings.
The French player, who before winning his first-round match here had last posted a regular tour victory in March 1993, won by 3-6, 6-3, 3-6, 6-3,

"He played well. He deserved to win. It's quite simple," Conrier said, "I'm always in danger

when playing a good serve and volley player on grass. "It's a dangerous surface." Petr Korda, the 11th seed, fared little better, blowing a two-set lead to Markus Zoecke

of Germany, 4-6, 6-7 (7-5), 6-3, 6-2, 6-4,

In all, seven of the 16 men's seeds have not reached the third

round. Among the survivors Thursday were No. 4 Goran Ivanise-vic, a 6-2, 7-6 (7-4) winner over Alexander Mronz of Germany, and Boris Becker, the threeseventh seed, who fought off three set points in the first set,

then won, 7-6 (8-6), 6-2, 6-4, over countryman Arne Thoms on center court. Edberg, the two-time Wimbledon champion from Sweden, and No. 3 in the world, said he had no one to blame but himself

event. Last month, he was

ousted in the first round of the

French Open and, two weeks

**Edberg and Courier Join** 

nice event to play, one of the highlights of the year," said Edberg, who now lives in London.

The said that's important, especially on grass."

Fourth-seeded Martins Nav-

the big-name losers these first 37. few days in a tournament that now offers all manner of intriguing possibilities..

I think everybody thinks

they can beat their opponeot every time they go onto the court," Carlsen said, "because every player plays well oow. No player can be sure to win the match if they don't do their best. I mean even the qualifiers who get through the qualifying like (Bryan) Shelton. He beat Stich. Very good players are there. It's very tough."

The two-time French Open champion, Sergei Bruguera, found that out on Court 1. Seeded eighth here primarily because he's far better than clay than grass courts, he won the last eight points to finally put away Australian Patrick Rafter, , 7-6 (7-4), 3-6, 4-6, 7-4, 13-11, in 4 hours, 21 minutes.

In other second-round men's matches, ninth-seeded Andrei Slava Dosedol of the Czech Rekov, the up-and-coming Russian who is playing in his first Wimbledon, ousted Karsten Brasch of Germany, 6-1, 6-1, 6-3.

On the women's side, secondseeded Arancha Sánchez Vicario, the French Open champion, had little difficulty defeating Maria José Gaidano

of the Queen's, a grass warm-up for Wimhledon.

"It's sad because it's such a now. Mentally, I feel very good,

berg, who now lives in London.
"Unfortunately, I'm out of it. ratilova routed Sandra Cecchini and I just have to accept it. It's of Italy, 6-2, 6-0, to remain in contention for a 10th title at her farewell to Wimbledon at age

> For Carlsen, the critical factor against Edberg was his serve. He put 64 percent of his first serves in, with 14 aces against the Swede.

> "That's been my problem for some time, not having a stable first serve," he said. "Some matches I was playing uobelievable service and some I didn't get a first serve in. On grass, I'm just concentrating on getting as many in as possible."

Carlsen, who said he abandoned swimming and took tennis when he was nine, had only played Edberg once before in Davis Cup competition, losing in three sets in a meaningless match after Sweden had already advanced in March

"I knew I could win at least one set, so why not three," he said. "I was very positive going into the match."

matches, ninth-seeded Andrei
Medvedev rallied to defeat

Edberg was hardly devastated by the loss, and even managed to keep his sense of humor.

the tournament?

"Normally I don't, and I doubt that I will. I really haven't got a clue."
Steffi Graf, Michael Stich of Argentina, 6-2, 6-1. Afterand Jim Courier know exactly ward she proclaimed: "The how he feels.

#### Results From Wimbledon

MEN'S SIMGLES
Second Round
Jones Bjorkman, Sweden, dei, Maryne Cr.
drusko, South Africa, 6-3, 4-6, 6-3, 3-6, 6-3) Yewgeny Kaileinkov (15), Russia, del, Karsten
Brousch, Germony, 6-1, 6-1, 6-3; Richard
Fromberg, Australia, del, Alex Carretia,
Souin, 6-2, 7-6 (8-6), 7-5; Jason Stolheiberg,
Australia, del, Dorren Cohila, Australia, 6-2, 19; Amos Mansdorf, Isroel, def, Kenny Thorne,
U.S., 7-6 (7-1), 6-3, 6-7 (1-71, 1-1), Andrei Medvedev (9), Ularaina, def. Stova Dosadel, Czech
Ropublic, 3-6, 7-5, 6-1; Jakob Hlassk, Swilzerland, def. Waity Masur, Australia, 6-1, 6-4, 7-6
(7-3); Jord Burlin, Spain, def. Andrei Ol-6 (7-3); Jerdi Burlita, Spain, def. Andrei Ol-bovskiy, Ruesla, 6-9, 6-1, 6-2; Daniel Vacek, Czech Republic, def. Marx Woodbarde, Aus-Iralia, 6-3, 7-6 (7-2), 6-1; Alexander Volkov.

Pieurian, France, def. Christian Socianu, Germany, 7-6,6-1,6-4; David Prinosil, Germany, 7-6,6-1,6-4; David Prinosil, Germany, 7-6,6-1,6-4; David Prinosil, Germany, 6-2,6-4; Marino Barystron, Sweden, 6-7 (6-8), 6-2,6-4,6-4; Jerseny Bates, Britain, def. Journ Ressentinik, Germany, 6-2, 7-6 (7-8), 6-4; Christian Barystron, Sweden, 6-7 (6-8), 6-2,6-4,6-4; Jerseny Bates, Britain, def. Journ Ressentinik, Germany, 6-2, 7-6 (7-6), 1-4; Christian Barystron, Sweden, def. Greeg Rusedski, Conode, 6-4,6-4,5-7,7-6 (7-5); Juvier Franc, Argentina, def. Brad Gibert, U.S., 6-3, 4-6, 6-1, 6-2; Solika Franki, Lours Golorsa, Italy, def. Fang Li, China, 6-3, 6-3, 6-4, 6-4, 6-4, 7-6, 13-11; Goran Ivanisevic (4), Croatia, def. Alsoander Arronz, Germany, 6-2, 7-6 (7-4), 6-1; Guy Farget, France, def. Jim Courier (5), U.S., 3-6, 6-3, Schultz, Neitserlands, 6-4, 6-4. ago, he lost in the quarterfinals

3-6-6-3, 6-4; Markus Zoecke, Germany, def Petr Kando (11), Czech Republic 4-6, 6-7 (5-7), 6-3, 6-2, 6-4; Boris Becker (7), Germany, dei, Arne Thoms. Germany, 7-6 (8-6), 6-2, 6-4. WOMEN'S SINGLES

Helena Sukova (17), Czech Republic, def. Patricia Torobiel, Arsentina, 6-4, 6-2; Arantsa Sanchez Vicario 121, Sooin, def. Mario Jusa Galdono, Arsentina, 6-2, 6-1; Zina Garrison Jockson (13), U.S., def. Mercedes Paz, Arsentina, 7-5, 6-0; Mona Enda, Jopan, def. Jolene Watenabe, U.S., 6-3, 6-4; Nancy Erber, Refutant def. Mariorena Maria III. Actives, Cerpusia, Cor. Marchanter (Marchanter), Afra-de-44; Kristie Boosert, Netherlands, def. Afra-la Dechaume-Belteret, Pronce, 6-3, 7-5; Linda Harvey-Wild, U.S., def. Melke Babel, Germa-ny-6-2, 6-4-2; Ann Grossman, U.S., det. Nicole Arendt, U.S., 6-4, 3-4, 6-4; Dombolaue Monami, Belsturn, def. Elena Brioukhovets, Ukraine, 6-1-44, A.7; Caphrighe Edwards U.B. Accessed. 1, 46, 6-2; Gabriela Sobatini (18), Argentii

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## The Day Soccer Got a Root Down in the Foreign Fields of America

By Ian Thomsen

PASADENA, California - The ball in the Colombian goal was like a seed, never mind how it got there. The confidence of the American players grew from that seed, and their confidence was like new ivy growing out across the soft green floor of

America's grandest football stadium. It shot up through the aisles to the frames of the scoreboards, which on Wednesday had this to say: USA 2, Colombia 1. If not for that, you would not have believed the rest of it - hundreds of American flags whipping and no wind in the air; the singing of "U-S-A, U-S-A," which attained the pitch of a heavy loco-motive circling the Rose Bowl time after time. Shut your eyes for a moment and you began to doubt you were here; open them and you realized that no one has ever experienced anything like this at a soccer game in America.

USA 2, Colombia 1. The Americans hadn't won a World Cup finals match since their 1-0 victory over England in the Brazilian mining town of Belo Horizonte on June 29, 1950. The English hlamed a rutty pitch, the Colombians can blame their own terrorists, who reportedly threatened by fax to hlow up the families of midfielder Gahriel Gomez and the team's coach, Francisco Maturana, if Gómez played Wednesday. While the scorer in 1950 was the Haitian-horn Joe Gaetjens, who headed in a cross bob-bled by the England goalkeeper, the U.S. scorers 44 years later were a striker born in

The Americans are almost certain of advancing from the first round for the first time since the inaugural 1930 World Cup. They share the lead in Group A with the Swiss, each with four points. The Colombians were favored by Pele to win the title they beat Argentina by 5-0 in Buenos Aires. never forget - but with zero points from two matches they are likely to return home next week. Their small hope for a "wild card" berth is to beat Switzerland by a wide margin on Sunday while relying on the United States to beat Romania, and then hope the tiebreakers work in their favor.

"It's the single most important game in the history of soccer in this country," said Alan Rothenberg, the Los Angeles attorney who oversees this World Cup as well as the U.S. Soccer Federation. "1950 was a fluke - that game went by in a flash. This one is going to have permanent impact."

If soccer does catch on in the United States, it began doing so here Wednesday. After a passive 1-1 draw with Switzerland last weekend, the Americans seemed destined to become the first host nation in 15 World Cups to fall out in the first round.

The Colombians, upset hy Romania in their opener, were attacking on their right side via right-side midfielder Fredy Rincon, who simply could not be stopped short of the U.S. goalkeeper, Tony Meola of Kearney, New Jersey. The U.S. team was pushing the other way via its left-side midfielder, John Harkes of Kearney, New

the Netherlands plus an unnaturalized and deeply aggravated Colombian.

Jersey, who rarely dropped hack to dispel Avila then nailed Sorber in the thigh with another shot before Clavijo cleared. determined to beat Rincon to the punch.

Kearney is a northern immigrant town, its youth heavily influenced by Pele's New York Cosmos of the mid-1970s. The Italian Meola mousses his hair and ties it in a nub at the back. The New York Yankees drafted him seven years ago, and even now, in goal, hulking and slightly hunched, he looks as if he ought to be spitting tobacco.

At Meola's urging, his teammates took a

big leap of faith, pushing forward when they clearly felt in their hearts that they should be lying back.

A surprise starter in the defense was Fernando Clavijo, a reformed indoor player who in spite of his age. 37, is one of the faster Americans. He seemed to be part of a prevent-defense strategy against the nifty, lightning-fast Colombians. And, for a long while Meola's defenders expressed their doubts - whether it was U.S. defender Marcelo Balboa casually passing back a near-opportunity for Rincon, or Alexi Lalas of the United States waiting to set up a play before rocketing a useless ball over everybody, or Paul Caliguiri occasionally waiting too long to get the ball away to Harkes.

They would get over their nerves eventu-

In the meantime. Rincon was showing off and causing great American distress. A vicious shot from Herman Gaviria bounced off Meola, and the inrushing American midfielder Mike Sorber chested the ball off of his own post. Antony de

While the Colombians were more intimidating, the Americans broke back in Harkes's image. Milutinovie has tried to put in a system of ball control, but that was forsaken in the helter-skelter of the first half. Before the Colombians knew it. Harkes was sending ball after ball forward to Eric Wynalda and Ernie Stewart, the aforementioned Dutchman of a U.S. Air

aforementioned Dutchman of a U.S. Air Force father.

Back and forth they went, every Colombian drive forward a real threat, every American response a surprise. The surprises included two good ones in the 28th minute, the first a running corner header by Balboa over the bar, then Wynalda's shot through a defender's legs and against the far post.

Then the goal: In the 35th minute there was a low cross from Harkes attempting to lead Stewart into the box. In fact, Stewart was blotted out by Colombia's premier defender, Andre's Escobar. But Harkes plays in the dogged English league and so he tried vainly to push it ahead of the Colombian. The pass wasn't quite good enough. Sliding, Escobar was albe to get a leg on the ball. But it had more force than the imagined and deflected off his shin and behind his beleaguered goalkeeper, Oscar Cordoba, into the net, while he sat holding his knees. He had given the United States its first lead in 44 years.

Over the next few minutes you began to realize that it had been quite some time since the Colombians had bothered Meola.

non for Stewart and he would have had an open-net goal.

Maturana would admit that his team had been burdened as favorite; trailing by 1-0 at halftime, it seemed as though the death threat and the own-goal had taken their Colombians' last breath of life.~

Two hours before the game, according to a team spokesman, terrorists sent a fax threatening to blow up the homes of Ma-turana and Gomez if the latter was in the

In the 38th minute, Stewart almost caught little. The ideal situation would have been Cordoba out of the box. A better deflectionake II substitutions at halftime. Ma-

turana said. The ideal American salistical pame 100 the steer american samenan panel ments after a goal by Lalas was disallowed by a questionable offside dalf. In the 32d minute, the Americans began playing with the ball at midfield in ways that were aminaginable before. Millumovic actival three years ago. Back and leith, swiftly laterally, it was as beautiful as anything the Colombians, and brist, ladged, it cought



Alexi Lalas, U.S. defender, waving the flag in jubilation after the Americans scored a stunning 2-1 upset of Colombia.

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## Milutinovic: More Than Lucky

PASADENA, California — He is a foot-balling gypsey who some see as a ge-nius, others as a talisman of a coach with the knack for dropping in at the right places at opportune times. It must be more than lnck. For Bora

Milutinovic has now charmed Mexico, Costa Rica and the United States beyond their station at successive World Cups. The fellow blends teams from disparate

parts. He wiles away Rob Hughes Hughes cunning and

laughter, and what his latest adopted country would call positive mental atti-

He has coaxed Team America to World Cup credibility, helped 22 players to pool bonuses of \$575,000 for reaching Round 2.

bonuses of \$575,000 for reaching Round 2. When the moment of acclamation came, when Milutinovic wrestled clear of exphoric players in the splendid Pasadena Rose Bowl, he had to wipe his spectacles. That wasn't because of Hollywood's infamous smog. Nor was it the hot air bellowed out by the 93,194 spectators, many of whom turned tail-gate parties into night-long jamborees. As Mexicans and Costa Ricans can testify, moisture affects Milutinovic's view on four-year success cycles.

His emotional commitment is extreme, the spirit contagious. He can be thinskinned and volatile, but it matters not that some players snigger behind his back, muttering mutinous oaths concerning his

methods and his madness. The point is, in three languages, three dialects anyway, they carried out his plan. They may not, of course, have understood it. He may not always know how it will

come out. It is difficult when the coach mixes instinct with theory; difficult and sometimes hilarious when he delivers in combinations of five languages. But then, soccer is a lingua franca. President Bill Clinton pronounced as much a week ago, approximately three decades since it became the moving spirit of the Milutinovic sihlings. Bora and two brothers all played for the Partizan Belgrade side of the 1960s. Bora. the youngest, did the running for the other two, though later in his nomadic career he

flew the family nest to play for FC Winter-

and father a daughter.

Later, this energetic, eager, opportunistic little nomad began plying his trade by telling — usually with demonstrative body language — players what to do. His rest-less spirit moved him from clubs to nation-al teams, from Mexico via Italy, Argentina and Costa Rica to Mission Vicio.

This \$3.3 million Californian retreat is the training base where, morning and night, he can use floodlit pitches to turn college boys into men who can hold their own with World Cup stars.

Not all came through the college system. Not all are full-blooded Americans, Like other managers. Milutinovic is adept at playing the family-tree game and at finding residential loopholes to claim talented individuals, in America's case often Hispanics whose spark is in the genes.

In Wednesday's victory, Tab Ramos

was more inspirational than any Colombian. We all have our theories as to why the Colombians were so lethargic, why their explosive and exciting skills were dormant. One is that Gabriel Gomez feared to even to appear on the bench after a faxed warning that his family would be blown up in their home if he played and Colombia won. Gomez was the lone absentee, but others seemed to have switched off in mental sympathy with him.

Team officials refused to confirm or deny that, or other rumors of strife on the squad. But while the Colombians, with infinitely greater individual flair, could never get it together, Ramos, born and raised in Uruguay, was the spearhead of the U.S. counterattacks.

He had help. Solid, committed running from Tom Dooley, the German son of an American serviceman; from Ernie Stewart, the sprinter born in the Netherlands. But the core of Milutinovic's racial and

cultural mix also harnesses home-born and blueberry-pie-eating Yanks. You'd guess that from their names; the agile goalie, Tony Meola; the guitar strumming Alexi Lalas, the rock solid Marcelo Balboa.

hur in Switzerland, for Monaco, then Nice and Rouen in France, and finally UNAM Pumas in Mexico.

His game gathered guile so that he could plot and pass and point for others to run, His salary progressed from "the equivalent to two lousy cents" in Belgrade to a healthy remuneration on which to marry and father a daughter.

Not content with denying Familian AS, produced what should be a patential produced what should be a p

on soccer's door.

There was a time when America's style was straight-jacketers, when a defensive player like Balson, a Chicagan out of Sahi. Diego University, would have lost his place on the roster for such a show of flamboyant independence.

Independence is the name of Hora Military of same. He coaches a transwort?

tinovic's game. He coaches a framework which requires more running from most of his players than most other squads do afthis World Cup. But he condoites excitement within that he believes in the game going forward whenever possible.

Straight forward, the way he combs his hair. In both cases it helps disguise what isn't there. It binds the team spirit. It unnerves teams of sharp attack but unsteady defense, like Colombia's But attack as the best form of defense

will take Americans only so far. Should they run into Germany in this toternament, that — just as surely as we were that. Colombia would be too skilled and too knowledgable for them - will be the end of the rose Sooner or later, Milutinovic will move

on. He is just passing through, gathering riches and tributes, but stopping a while to feet his roots.

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Recently in Amsterdam, he toured the museums. Coming down the steps of the Anne Frank House, a companion noticed that Milutinovic had been crying. Why not? Emotion is part of the man, and the wretched sadness of war has been with him since he lost his own parents that way in what was Yugoslavia.

Soccer isn't any kind of a war. But it is a passion, a winner-take-all of pride and emotion. And Boro Milutinovic knows better than most that you don't have to like everything about the guys you share a passion with. You just need to know why you are there and what your aim in life is Go, U.S. Gol.

Rob Hugher to on the staff of The Throat



U.S. fans, dressed in patriotic garb, could hardly believe their eyes as their team defeated Colombia at the Rose Bowl.

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At Stanford, Cald. Tuesday June 26 mer vs. Dame 40 winner, 1935 GM At East Putherland, N.J. At Washington SEMIFINALS

Wednesday July 13 At East Rutherford, N.J. GROUP F At Pasadena, Calif. r vs. Game 46 winner, 2335 GM THIRD PLACE

At Orlando, Fla.

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At Orlando, Fla

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s. Group C, D or E third plac

Group A second place vs. Group C s

Group F second place vs. Group

place, 1705 GMT

Saturday June 25 At Orlando, Ra. Netherlands, 1636 DMT

Saturday July 18 At Pasadena, Calif. CHAMPIONSHIP Sunday July 17 At Pasadena, Galf. rinners, 1935 GMT

#### Match Results

Switzerland 4, Romonie 1
Scarers: Switzerland — Alain Suffer (14th).
Stephane Chosulsof (52d), Adrian Knup
(66th), Georges Bregy (73d); Romania —
Gheorghe Hog! (3oth).
Referee: Neil Jouini l'Tunisia).
Yellow cords. Romania — Gheorghe Milhail
(30d), June 1, 1995-20, (41st). Miodron Belede.

Cia, Colombia. 1— Julio Salinas. Spain; Hone Myune Bo and Seo June Won, South Korea; Ray Houstrian, ireland: Marc Degryse, Belgium; Kjelli Rejuda, Norwsy; Roger Liung and Martin Oghlin. Sweden; David Embe and François Omem Bivick, Comercon; Romario and Ral, Brazil; Fuad Amin, Saudi Arabia; Wim Jonk and

A group of 79 fans who had paid \$2,175

apiece were stranded in Saugus, near Boston, said Gerry McGrath, 43, a spokesman for the group. They were apparently bilked by an English tour operator that failed to provide them with transportation and tickets for World Cup games in New Jersey and Florida, including last Saturday's hig als—Andres Escobor. Colombia (for game against Italy. Dan Pranka, the owner of Sports King, a in New Jersey, in which Ireland will take on Norway.

East Coast Ticket Brokers Association, of Burlington, New Jersey, said it would donate tickets to that game.

"Everything's been done and you're totally sorted out," Conor O'Riordan, the Irish consul, told a group of the fans who were gathered in an Irish bar in the city's financial district Wednesday evening.

"It couldn't happen anywhere else in the

world, where people would get stranded and get helped to the extent that we have been helped, said Ray Foody, 43, an Irishman who lives in London. To me, this is the American Dream.".

David Andrews, Ireland's defense and marine minister, who was returning to freland via Boston from a trade mission, said, "I'd like to record my appreciation for the marvelous decency of the Irish community here in Boston. They've been fantastic."

Sportex travel agency in London, the tour operator that left the fans in the lurch. said earlier this week that it was trying to put together a rescue package. But there was no new word from Sporter on-Wednesday, McGrath said.

Members of the group also got a free train ride to Foxboro Stadium and fretickets to see Argentina play Greece of Tuesday, a day after their story made headlines here.

"It could only happen in America Foody said.

المكذا من الأصل

The Luck of the Irish Fans: 'Only in America' (33d), Joun Lupescu (41st), Miodrop Belode Red card: Romania — Isn Viadalu (74th) Stoneham, Massachusetts, travel agency United States 2, Colombia 7 Scorers: United States — Andrés Escobol BOSTON - The luck of the Irish has that specializes in booking sports trips, cut both ways for the group of fans stranded by an English tour operator, then res-134th, ewn goet (, Ernie Stewart (52d) ; Colom big — Adolfo Valencia (70th). said he had arranged discount air fares to Ireland's game with Mexico on Friday in Referee: Fobio Boldos (Italy) Yellow cords: United States — Alexi Lakas (49th); Colombia — Antony de Aviia (24th). cued by American benefactors. Orlando, Florida, and had collected "At the beginning, it was terrible," said enough donations to pay for tickets to the Alan Ashe, 30, a Duhlin appliance repair-Goal Scorers man. "It was cruel. We talked about com-Thomas Flatley, an Irish-American real ing home. After matches played Wedne estate developer and hotel chain owner, 2 — Gabriel Ballstufa, Argentina. 2 — Florin Raduciolu, Romania; Jürgen Klinsmann, Germany; Jon Andoni Gal-But everybody in Boston has been brilsaid he would spend about \$14,000 to pay liant to us. They've made the whole trip for the air fares Pranka arranged to Orlando. koetxea, Spain: Gheorghe Hagi, Romania; Georges Bregy, Switzerland: Adolfa Vaten-Flatley also said he would try to arrange One thing you have to say and that's hus transportation for the game Tuesday "Thank you to everybody."



Midfielder Alain Sutter, with teammate Alain Geiger looking on, whooped it up after a first-half goal against Romania.

## Cameroon Promises Pay to Avert Strike

Compiled by Our Staff From Dispatches

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STANFORD, California — Hoping to avert a strike by its World Cup team, Cameroon's soccer federation, with an assist from the government, is promising nearly \$1 million to the players.

The long-standing dispute between the players and the Cameroon federation came to a head Wednesday, when Joseph-Antoine Bell, the goalkeeper and captain, said the team was considering a boycott of the game against Brazil on Friday.

The players reportedly have not been

paid for two months and some are opset about broken financial promises that go back several years, Bell said. The players were supposed to be receiving a \$10,000 bonns for playing in the World Cup with an extra \$5,000 per victory.

Cameroon was the darling of the 1990

World Cup, becoming the first African nation to reach the quarterfinals. In this World Cup, Cameroon drew 2-2 with Sweden in its first game.

Bell said that the problems predate the Deher—now says more money is 1990 World Cup in Italy, a tournament he probably an additional \$400,000. did not play in, and that money from the 1990 Cup had still not been paid.

Henri Michel, the coach of the Indomitable Lions, said the dispute was seriously disrupting Cameroon's preparations for the match against Brazil. The team arrived 45 minutes late for a news conference and training session at St. Mary's College in Moraga, near San Francisco.

This is a serious problem," Michel, a Frenchman, said. They no longer have any confidence. They want to see the money, to get it in their hands, or get guarantees that they will receive it."

The dispute is one of several problems that have dogged the Indomitable Lions' World Cup preparations. Others have included having their main stadium closed by FIFA for safety reasons and adminis-

trative squabbling.
According to the Cameroon soccer fedcration, the government tried this week to placate the players with a suitcase containing more than \$500,000. They rejected the offer as madequate, and the government
—through the federation president, Maha Deher - now says more money is coming.

The federation, in conjunction with the government, says it is trying to solve the

problem. Deher says the problem stems from the devaluation of Camerooo's cur-

Deher said the country's sports minister, Bernard Massoua, flew to California and joined the team on Tuesday, carrying \$535,000 in his luggage.

"They said, 'It is good, but it is oot enough,' " Deher said. The players then sent a fax to govern-

ment officials, threatening to strike.

A FIFA spokesman, Guido Tognoni, called the dispute an "internal matter" to be settled by Cameroon authorities.

"FIFA has scheduled the games for them to play," he said. "So far, Cameroon has played. We have full faith they will play Friday. They are not crazy."

Tognoni said he knew of no time in which a World Cup warn had refused to play. He said should a boycott come off, the matter would be handled by FIFA's World Cup organizing committee and it could result in banishment from FIFA events.

The Portuguese players considered a strike at the 1986 World Cup, but the dispute was resolved with their federation. (AP, Reulers, AFP)

## All Due Respect: Swiss Pound Romania

By Christopher Clarey
New York Times Service
PONTIAC, Michigan — "Respect Switzerland," read the banner, cogulfed in the familiar red-and-white flags.

After the performance against Romania, such public pleas seem unnecessary. Coach Roy Hodgson's well-balanced team, one of the surprises of World Cup qualifying, can

no longer be taken lightly by anyone. The 4-1 vietnry Wednesday over Gheorghe Hagi and the Romanians was Switzerland's first triumph in the World Cup finals in 40 years, and it was enough to put the team atop Group A, tied with the even more surprising United States. Each has four points and one group match

The Swiss broke open the game in the second half with three goals, two from striker Adrian Knup, who missed the opening match against the United States with an ankle injury.

But Knup was only one of several players based in Germany who received less-than-neutral treatment from the cowbellclanging, flag-waving Swiss fans who filled the upper reaches of this indoor arena.

Switzerland's long-baired midfielder. Alain Sutter, was excellent again, scoring oo a 60-foot (18-meter) blast in the first balf. Striker Stephane Chapmisat, contained by the Americans, also broke loose, setting up Sutter's goal and scoring anoth-

In response, all the Romanians could offer was the individual brilliance of Hagi. the diminutive playmaker known as the Maradona of the Carpathians, who figured in all three Romanian goals in its 3-1 thrashing of Colombia on Sunday.

Hagi scored again Wednesday but, as any European knows, there is a big differ-ence between the Carpathians and the

Knup's return certainly strengthened the Swiss attack. With him up front, op-posing defenders could not focus their attention on Chapuisat, one of the leading scorers in the strong Bundesliga. It was Chapuisat who broke the 1-1 tie seven minutes into the second half, coming out of a scramble with the ball after a corner kick and putting it past Bogdan Stelea, the soon-to-be-beleaguered Romanian goal-

Fifteen minutes later, midfielder Ciriaco Sforza took advantage of some more lackluster Romanian marking to break free down the right side and set up Knup's first goal. He would score again in the 73d minute on a header off a long free kick from 36-year-old Georges Bregy.

Despite the roars from the Swiss supporters, Hagi and the Romanians dominated play in the opening minotes: backheeling, flicking and controlling the ball with apparent ease.

The Swiss looked disoriented as Hagi curled in three left-footed corner kicks to set up decent chances. But then Sutter, Switzerland's rising star in midfield, made his presence felt

With 13 minutes gone, he fought his way through a tackle just outside the Romanian box and passed to Alain Geiger, who quickly pushed the ball back to Sutter. One-on-one against the goalkeeper, Sutter put the ball in the lower right corner and began celebrating, but the linesman's flag had gone up: Sutter was offside.

Angrily, be trotted back up field, mut-tering to himself with his long blond hair flapping against the back of his red jersey.

Two minutes later, his teammate, Christophe Ohrel, broke free down the right side and crossed into Chapuisat, who tapped the ball back out of the box. The streaking Sutter met it at full stride from 60 feet out and blasted it into precisely the same corner of the goal. This time it counted.

But the Romanians bounced back quickly and began playing more aggressively on defense. The equalizer would not come until the 36th minute and, predictably, it was Hagi who provided it, somebow dribbling up unmarked and surprising the Swiss defenders by shooting and scoring from 30 yards out.

The goal was Romania's fourth of the tournament, and the remarkably gifted Hagi has been a factor in all four: scoring twice and assisting on the other two.

His goal against the Colombians came from even longer range, but that time he was belped by goalkeeper Oscar Cordoba's poor positioning. This time, the Swiss goal-keeper, Marco Pascolo, stayed on his line.

#### WORLD CUP WRAP-UP

Compiled by Our Staff From Dispatches LONDON - An unidentified Melbourne-based businessman bet and lost a total of £67.500 (\$103.800) when Romania and Colombia lost their matches Wednesday.

The Australian staked £40,000 oo Romania to beat Switzerland at odds of 6-5 and laid out £27,500 on Colombia to beat the United States at odds of 6-4 on, the bookmakers William Hills said.

William Hills spokesman Graham Sharpe said:

"We took some £500,000 for Colombia to beat the U.S and not much less for Romania to beat Switzerland in probably the biggest-ever betting plunge on football, said a spokesman for the bookmaker.

Ladbrokes' odds for Thursday listed Brazil as a 9-4 favorite, with Germany at 3-1, Italy at 7-I and Argentina at 8-1.

Then came the Netherlands at 9-I; Spain, Ireland, Norway and Nigeria at 16-1; Romania aly-Ireland.

and Belgium at 28-1; the United States and Switzerland at 40- to sell our bed." Rothenberg

Colombia, down from 10-1 to 150-1 with Bulgaria, Mexico and Bolivia, and South Korea and Morocco at 250-1,

Greece and Saudi Arabia were rated least likely to win, at

About 22,000 workers at the Hyundai Heavy Industries with messages such as "Mac-shipyard, who are also in a dis-edonia Is Greek" and "Free Cypute over pay, voted to strike pris," for three hours Friday. That At happens to coincide with the telecast of South Korea's crucial match against Bolivia.

• By Tuesday's Argentina-Greece game, Alan Rothenberg, the chairman and chief executive officer of World Cup USA 1994, had visited six cities, to be at opening ceremonies at those stadiums. Saturday, he doubled up, attending the U.S. minote, apparently because his like north London, Liverpool, Switzerland game in Pontiac, silver-grayish shirt was too Manchester and the West Mid-Michigan, then jetting to East close in color to the deaim blue lands," said a Guinness spokes-Rutherford, New Jersey, for It-

"My wife said she was going Sweden at 50-1; Russia at 80- said. "When I come home, Cameroon at 100-1; there's going to be an airline

> Some Greeks took advantage of the world-wide television audience of their team's match with Argentina to get out political messages.

Planes repeatedly flew over the stadium, carrying trailers At RFK Stadium in Wash-

ington, the political message was more parochial. A banner unfurled during Sunday's Norway-Mexico match read: "Baseball in D.C." • Referee Fabio Baldas had

to make a swift shirt switch early in the Colombia-U.S. match. Baldas, from Italy, changed into a purple shirt at the 14th players. With the United States

on the attack early on, midfielder John Harkes made a pass almost directly to the referee. There were oo U.S. players in the vicinity.

 Argentina midfielder Diego Simeone said he had signed a five-year contract with Atlético Madrid. He has played for Sevilla for the last two seasons.

 As Ireland's team battles against dehydration in the stifling beat of Florida, its fans in Britain also fear a loss of liq-

Stout sales surged on Saturday as drinkers celebrated the triumph over Italy, and some pub landlords have ordered emergency supplies of "the black stuff" after running dry at

the start of the week. "We've had reports of some pubs selling their week's supply in one night, particularly in arcas with big Irish communities

(Reuters, AP, NYT, AFP)



Diego Maradona, who scored a goal in Argentina's 4-0 thrashing of Greece, being escorted from a training session.

## Dissension Reaches the Germans

Complete Our Stuff From Dispatcher CHICAGO — The first bickering has surfaced in Germany's camp, with defender Thomas Berthold calling for a shake-up of the team and say-ing the coach, Berti Vogts, has been wrong in insisting that the team is playing well. While Vogts has been conser-vative with his criticism of the

defending champions despute two below par performances. Berthold said Wednesday: It can't be right when the trainer says after every game that we are playing well when all the world can see it is not true.

Thave told him that. We should call a spade a spade. We have to do much more to win the World Cup. What we have produced so far has been terrible."

Berthold said he would prefer that the team's captain, Lothar Matthaux move forward from libero to his old position in the midfield where he could be more dangerous. - -

"When we look at the way the other teams are playing, I said. "We have the people to play our way out of trouble. Lother is wasted there." which they would look at a video of the Spanish match and discuss their mistakes. It was Vogts's decision to move the

33-year-old Matthaus from some time. midfield into the sweeper's role 18 months ago was controver-sial, and made largely to give Andy Möller the space in midfield to become the main playmaker.

But while Möller is certainly talented, he has not yet shown the same inspiration that Matthaus has provided in the past when the Germans were in tionible. With the Germans almost

certain to win Group C, it is unlikely Vogts will change his tactics at such a late stage. But Berthold has a reputation for being outspoken, and

while teammates were being diplomatic with the press on Wednesday, the 29-year-old VfB Stutteart player let fire. "Every player has their job to do. Not everyone is doing it," be said. "We haven't played so

many high, long balls forward for a long time." The players, having been givthink it would be better to have; on the day off, were to hold a a simple back four," Berthold team meeting Thursday at

likely the meeting would last

• Ireland's campaign took a blow when striker Tony Cascar-ino ruled himself out of Fri-day's match against Mexico. He was uncertain for the last firstround game, with Norway oext Tuesday.

Cascarino hurt his left leg calf muscle two weeks ago and has not trained since. Mexico's coach, Miguel Me-

jia Baron, irritated by reports that members of the national federation have criticized his players, as well as mounting ssure from the Mexican media for changes, made three for Friday's match. He left ont defender Raul

Gutiérrez, midfielder Benjamin Galindo and midfielder Luis Valdez, naming Alberto García Aspe, a left-footed playmaker who was suspended for the opening game, experienced striker Carlos Hermosillo and utility midfielder Jorge Rodriguez to replace them.



Jack Charlton, Ireland's coach, during a practice ses-

#### Still Contenders (at Least Contentious) By Santiago O'Donnell ing to be the team that remains focused throughout the tournament, and that's

Washington Past Service
WELLESLEY, Massachusetts — It be-

gan as an innocent game of foot-volleyball, three players on each side of a wooden bench, ooe team led by midfielder Diego Maradona, the other by striker Gabriel Batistuta.

The Argentine team was in the midst of a light practice at its Babson College headquarters, a day after its 4-0 romp past Greece in its opening match at nearby Foxboro Stadium. Batistuta, who scored a hat trick against

Greece, was scoring once again against his teammates across the bench. His team was leading, 10-4, and Maradona was furious. "Nine to six!" Maradona shouted as he prepared to serve. "No way!" Batistuta shot back. From

there on, every point degenerated into an

endless debate. The exchange between the World Cup's leading scorer and soccer's most recognizable name underscores the win-at-any-cost attitude that now makes the Argentice team one of the candidates to win the

"This is a very evenly matched tourna-(Renders, AP) sion in Orlando, Florida, ment," said Batistuta. "The winner is go-

World Cup.

what we want to do." The informal 30-minote workout was an

excuse for more than 300 reporters to swarm over the Argentine players for comment in the aftermath of the game against Greece. Before, Argentina was lightly re-

garded by most soccer experts. Maradona, 34, the star of the 1986 World Cup, had been dismissed as an overweight has-been and the Argentine team was given little chance to win the Cup again despite appearing in three of the past four championship games.

But that view changed after Argentina overwhelmed a weak Greek team and Maradona scored a spectacular goal, while leading candidates Italy and Colombia were losing. Reporters from Boston to Bangladesh were now elbowing their way toward the Argentine players to ask whether they felt vindicated. As always, Maradona mocopolized.

What would you say to all the critics who said you couldn't play anymore after yesterday's performance?" a Brazilian television reporter asked.

"I'll answer with another questioo: What can they say after yesterday's because we need his goals."

the playing field." Batistuta, 25, was asked whether he ever

expected to score a hat trick in World Cup competition.

"Never," he said, with a deadpan ex-As a kid growing up in a small town in

the Argentine pampas, he continued, he dreamed of becoming the World Cup's top scorer. But even for a deadly shooter like Batistuta — he has 25 goals in 29 matches playing for Argentina — three goals in a World Cup game was too much to expect,

he said. "It is often said that six goals is enough to win the scoring title," said Batistuta, who plays for Fiorentina in Italy and is appearing in his first World Cup. "I'm halfway there."

As Maradona was leaving practice, he was asked about his soccer-volleyball foe. "What can I say? He's a goal scorer," the team's captain replied with a shrug. "You can give him a million passes during a game and be won't return any, because all

be thinks about is shooting at goal." Then Maradona let out a smile. You know what? I hope he never gives the ball back. I hope he never changes

By Russell Baker

YEW YORK - Last weekend's fun was more intense than usual. First there was Sam Donaldson interviewing Paula Jones. Then the networks convicted O. J. Simpson of murder. Afterward we went to the movies and saw Jack Nicholson turn into a werewolf.

Fun of this quality simply did not exist until now. It makes you realize bow lucky we are. funwise, to be living in this day and age. Let me cannibalize my own family for material and tell you what my grandmother did for fun: Had one of ber sons at the end of the day drive her out to Spring's store in Lovettsville where she had an ice-cream

Was this, or was this not, the Dark Ages of fun? On summer evenings she would sit in a rocker on the front porch talking to neighbors and relatives and watching it get dark. If you want to know how lucky we are today, imagine living in a world where fun was watching it get dark. And talking.

Whenever I think of my poor old grandmother having to talk to relatives and neighbors, 1 thank my lucky stars for all the machines now available for taking the drudgery out of talking and putting the fun back in.

For instance, we don't have to do any talking at all with Sam Donaldson and Paula Jones. All we have to do is listen while they talk at us.

And what fun talk it is. Jones is the first woman ever to sue a president on grounds he once made her an indecent proposal. With fun talk like that coming at you, you really wouldn't want to have to talk hack. would you?

The talking machines provided even more fun than usual last weekend. As usual professional weekend talkers were on hand to fill the ears with fun abuse of President Clinton and his wife, but last weekend they also had former President Carter to abuse for our entertainment.

For really special, out-of-theordinary fun talk, however, it

machines tickle our ears and eyes with entertainment to match the conviction of O.J. Simpson. Having watched and been talked at by the machines I could tell by cocktail time Friday that they were bound to convict Simpson of murder.

You can always tell. The tipoff is that invisible wink the TV people give you when they talk about "the presumption of innocence," after laying out the homicide division's dossier of incriminating evidence.

Assuming that neither the networks nor newspapers would sentence Simpson until Saturday, I decided to seek livelier fun at the movies. If fun is your dish -and if it's not, what kind of person are you, some out-of-date old grandmother, or something? — if fun is where your mind, such as it is, is at. you are as powerless as I am to resist Jack Nicholson.

Jack, as we "Entertainment Tonight" fun lovers call him. can overdo the ham now and then, hut when the flick is titled "Wolf" fun ham is ohviously what the chef meant to cook. Jack turns it into one of the outstanding fun experiences of the week, a parable about the werewolf-eat-werewolf nature of the book-publishing world since its takeover by fun-selling international conglomerates.

Fortunately I got back into the house and turned on the TV before any wretched thinking could get a toehold in my head. and sank into the great chase scene of the O. J. Simpson story. Live from coast to coast. scenes from a news helicopter in faraway La La Land were being fed into a zillion tubes.

It was the real-life fulfillment of a futuristic horror depicted in Ray Bradbury's 1950ish sci-fi novel "Fahrenheit 451," in which civilization entertains itself by watching live TV scenes of police pursuing and destroying lawbreakers.

Grandmother was born too soon, poor old soul.

# Reeling From Reality: Who Needs Fiction?

By Michiko Kakutani

TEW YORK — "The American writer in the middle of the Loth century has his hands full in trying to understand, describe and then make credible much of American reality," wrote Philip Roth in an essay in Commentary magazine.

"It stupefies, it sickens, it infuriates and finally it is even a kind of embarassment to one's own meager imagination. The actuality is continually outdoing our talents, and the culture tosses up figures almost daily that are the envy of any novelist.

Philip Roth made these observation back in 1961 - before the assassination of President John F. Kennedy, before the assassinations of Robert F. Kennedy and the Reverend Dr. Martin Luther King Jr., before the social upheavals of the late 1960s. before Vietnam and Watergate and Iran-Contra-

Since then, of course, daily life - or at least our apprehension of it, thanks to 24-hour television news and the proliferation of tabloid coverage seems to have grown curioser still.

In recent months. Tonya and Nancy. Amy and Joey, the Menendez brothers and the Bobbitts have become fixtures in the national consciousness, and now, for a few days, the sad, surreal saga of O. J. Simpson has bound the country together in a weird act of communal fascination that has led one observer after another to sigh. "Truth is stranger than

Indeed, the ability of reality to equal, even sur-pass, our most fevered imaginings has been repeatedly brought home to us in recent years.

H. R. Haldeman's recently published diaries create a truly Strangelovian portrait of the Nixon White House, while Donald Regan's memoirs purvey a picture of the Reagan White House (in which the president's schedule was cross-referenced with readings from Nancy Reagan's favorite astrologer) as strange as anything in "Being There." Jerzy Kosins-ki's dark political satire, published back in 1971. Taken simply as a narrative, the Simpson case was riveling, in part because it combined elements of

high tragedy (the fall of a powerful man, a sudden reversal of fortune) with elements of your run-ofthe-mill action-adventure movie (a dramatic chase). In fact, the extraordinary public fascination with

the Simpson story helps underscore two pressing matters facing the writer of imaginative fiction today: the growing marginalization of the written word in an increasingly electronic culture: and the difficulty of depicting a reality that often feels, in Tom Wolfe's words, "chaotic, fragmented random, discontinuous; in a word, absurd,"

The '60s, the critic Benjamin DeMott has observed, "brought the realization that the old primary, literary role of witness" had been stolen by television. Since then, functions of the novel have heen usurped by television as well, at least usurped in the eyes of people who do not value the nuances and ambiguities of literary prose.

In the past, novels alone seemed capable of giving us intimate knowledge of strangers's lives; today that role tends to be filled, bowever deceptively, by confessional talk shows and autobiographies.

As we are exposed to more and more bizarre stories in the news (a woman curting off her busband's penis, another woman who alleges that the president asked her to perform oral sex), as the old rules of civility break down, it also becomes increasingly difficult for the imaginative writer to satirize or even convincingly dramatize social conflicts. What was once regarded as parody is now often a story in

the morning news. In a recent essay, the writer Joe Queenan observed that his satiric articles about such invented absurdities as "the lateness-rights movement" and "the Home Mutual Fund Shopping Network" have acru-

ally elicited credulous responses.
"No matter bow ridiculous your story is." he writes, "some people — and even a lot of people — will not get the joke." Satire and parody, after all, depend on a sense of boundaries that can be violated, taboos that can be sent up, and when reality itself possesses a quality of anything goes, it becomes harder and harder to use exaggeration and hyperbole as tools to mock.

As social codes weaken and sensationalistic news coverage proliferates, the public's sbock threshold rapidly rises, resulting in an increasingly cynical and jaded audience and a general coarsening of stan-

At the same time, novelists find themselves feeling increasingly ineffectual: hard-pressed to delineate the chaotic tapestry of modern American life, hardpressed even to capture their audience's attention. Tom Wolfe's advice for novelists - taken by himself in "Bonfire of the Vanities" and by writers like Richard Price in "Clockers" — is to "head out: into this wild, bizarre, unpredictable, Hog-stomping Baroque country of ours and reclaim it as literary

property."
"The answer," he wrote in a much-discussed article in Harper's magazine, "is not to leave the rude beast, the material, also known as the life around us, to the journalists, but to do what journalists do, or are supposed to do, which is to wrestle the beast and bring it to terms."

This is what Zola did a century ago, and what Norman Mailer did in his "true-life novel." The Executioner's Song."
While novelists like Philip Roth, D. M. Thomas

and Harold Brodkey have reacted to the weirdness of contemporary reality by focusing on the private realm of the self, others like Salman Rushdie have responded by embracing the fantastical techniques of magic realism. In 1989, however, when Rushdie's novel "The

Satanic Verses" led to his being placed under a death sentence by the Ayatollah Khomeini, he too, discovered that real life has a way of surpassing even the most surreal imaginings of a novelist."

As Mark Twain once remarked, "Truth IS stranger than fiction, but it is because Fiction is obliged to stick to possiblities; Truth isn't."

LEULTE

The \$300,000 Trailer: Wayne Newton's Folly

How do you spend 1300,000 renovating a trailer? Ask Wayne Newton. The enternainer built a swimming pool with a wrap-around pine deck a gazebo with a tanbing bed and not tub, and he also built a road from the trailer to a cave on the property near Ozark, Missour, -- after he applied for bankruptcy protecuon in 1992 Next week his creditors lawyers will ask a judge to seize Newton's assets to pay debts of \$29 million.

After Carry Kesperer bolted from the International Cliess Federation, he and British grandmaster Nigel Short formed the rival Professional Chess Association a group searching for chapotate spois sors So far, 90 of the world's top 100 players have signed up. The main boldout Assets! Karper Kasparov's longtime roal.

Torses. Harding it coming to the big screen, not at a figure skater but as a feasty wantess running from the most. The blot titled "Breakassay" was written by Sean Dash and Exect Contour. who are from Harding's home-town of Beaver Caset, Ocean

He likes good food, fine wine and soft masse. What the famed and soft masse. What the famed freeloader known as the Food Pirate doesn't like is paying the bill. A Dutch court found William G. gially again this week but this time didn't scatence him to sail. When he's presented with the bill, Whitiam G. schmits he' has no money. He often spends the night in jail and is then triessed ble has been attended ble has been attended at least 97 times since rested at least 97 times since 1977. The penul system simply doesn't know what to do with him, his lawyer said.

Pifty watercolor landscaps; by Prince Charles went on disay Thursday at Sotheby's in London. They are not for sale.

INTERNATIONAL CLASSIFIED Appears on Pages 3, 10 & 21

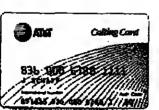
#### WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather. Asia Today Tomorow High Law W High Law C/F C/F C/F C/F Africa North America

Denver through Sall Lake
City to Los Angeles with have
hot weather this weekend.
Scattered rains in the Northeast Saturday will be tollowed by very warm weather
Sunday and Monday. Oriando to Houston will be seasonably warm and humd
with plenty of sunshine this
weekend 23'84 2170 s 25.84 2170 s 1457 1155 sh 16:91 846 c 55'79 1661 s 25'77 18:64 pc 20:06 944 1 2073 1162 pc 20:06 944 1 2073 1162 pc 20:06 2073 sh 20:08 2475 pc 19:06 1155 sh 22'71 12:53 pc 31:09 20:08 s 34:00 22'71 s A tew showers and thunder-storms wait erupt over Cen-tral Europe this weekend. A slow-moving storm will bring scalang takes to northeestern Spain and south-central Europe Sunday into Monday London and Pairs with have a lew showers early in the weekend, then Monday will be dry and warmor ASIB
Snarphal through Seoul and Tokyo will be very warm this weekend. Heavy Ihunderstams over the North China. Plain this weekend may reach Seoul be Monday. A tropical storm will oring heavy rains to south-central China, late this weekend. Scattered heavy rains will scale the central Phimppines. North America

#### WEEKEND DESTINATIONS SATURDAY SUNDAY Europe and Middle East High Tamp. C/F Low Temp. CIF 17/62 21/70 17/62 24/71 16/61 12/71 16/61 13/59 16/61 13/57 12/70 21/70 Water Temp CJF High Temp CIF 28/79 22/71 30/86 27/80 33/91 21/70 21/70 23/73 22/71 32/89 28/82 Temp C/F SE 15-30 ESE 15-30 NE 10-20 WNW 20-35 S 15-25 N 15-30 N 12-25 E 15-30 VAR 10-20 N 10-20 N 15-30 N 15-30 N 15-30 N 15-30 N 15-30 N 15-30 19/66 15/58 20/68 20/68 23/73 15/61 23/71 21/70 14/57 16/61 15/61 15/61 21/70 21/70 21/70 15/59 20/68 20/68 22/71 19/68 20/68 22/71 14/57 13/55 13/55 20/68 21/70 21/70 15/59 20/68 20/68 22/71 18/64 20/68 22/71 14/57 13/55 13/55 12/53 20/58 21/70 Caribbean and West Atlantic Caribbean and West Atlantic 23/73 26/79 23/73 25/77 8/48 11/52 18/64 23/73 15-25 15-25 12-25 12-22 20-40 25-45 25-40 20-35

## Travel in a world without borders, time zones or language barriers.

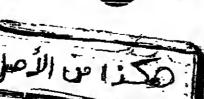


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#### ARET Access Numbers How to call around the world

sing the chart below, find the country you are calling from

Enal the corresponding AEAT Access Number.

An AEAT English-speaking Operator or voice prompt will ask for the phone number you wish to call or connect you to's

To receive your free wallet card of AIRT's Access Numbers, just dial the access number of the country you're in and ask for Customer Service.

COUNTRY A	ACCESS NUMBER	COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER
A	SIA	Iraly*	172-1011	Brazil	
Australia	1-800-881-011	Liechtenstein*	155-00-11	Chile	000-6010 004-0312
China, PRC+++	10811	Lithuaniae	84196	Columbia	980-11-0010
Guzat	018-872	Luxembourg	0-800-0111	Costa Rica	
Hong Kong	800-1111	Macedonia, F.Y.J		Ecuador*	ा <u>ं</u> प्राप्त
Indise	000-117	Malta*	0800-890-110	El Salvador	119
Indopesia.	001-801-10	Monaco"	194-0011	Gualentala*	190 5 190
Japan"	0039-111	Netherlands'	06-022-9111	Guyana	
Korea	009-11	Norway	800-190-11	Hondurista	165
Koresaa	11*	Poland'+**	04010-480-0111	Mexico	124
Malaysia"	800-0011	Portugal	05017-1-288		95-800-352-4240
New Zealand	000-011	Romania	01-800-4288	Nicaragua (Ma	
Philippines"	105-11	Russia"(Moscow	155-5042	Pananiam	109
Saipan*	235-2872	Slovakia	00-i20-00101	Peru* Suriname	191
Singapore	809-0111-111	Spuine	900-99-00-11		156
Sri Lanku	430-430	Sweden*	020-795-611	Uruguay	00-0-110
Taiwan"	0080-10288-0	Switzerland*	155-00-11	Venezuela*	80-011-120
Thuilande	0019-99t-11tt	U.K.	0500-89-0011	CAI	RIBBEAN
EUR	OPE	Ukraine	84100-11	Bahamas	1-800-872-2881
Armenia"	8414111		LE EAST	Bermuda*	1-800-872-3881
Austria	022-903-011	Balirain		British V.L	1-800-872-2881
Belgium*	0800-100-10	Ciprus.	800-001	Carman Islands	1-800-873-2881
String orter	U0-1800-0010	israel	(940-90010	Gren.ida*	1-800-6 ≈ 386 L
Crostist*	99-38-0011	Kuwaii	177-100-2727	Haid*	001-800-972-3983
Czech Rep	00-420-00101		800-388	Jamaica→	U-H00-HT 2-24H1
Denmark*		Lebanon (Beirut)		Neth_Antil	001-800-872-2881
Inland*	8001-0010	Qutar	08004011	St. Kitts Necks	1-900-87-2-2851
rance	9800-100-10	\mdi Aniba	1-900-10		FRICA
	194-0011	Turkey	00-800-12277		510-0200
Germany	0130-0010	L'AF.	HU(1-12)		325,040,0
succece.	00-800-1311	AME	RICAS	Gambia*	004-001
iungary*	00A-800-01111	Argentinue	1111-100-200-100		
celand's	999-001	Relize	555	Kenva	(1900-10
reland	1-800-550-000	Belivia		Liberia	797,797
Mer. II.			04800-1112	South Africa	0-800-99-0123

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